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PART X.

FURTHER CORRESPONDENCE

CLOSED UNTIL 1964

RESPECTING THE

AFFAIRS

OF

ASIATIC TURKEY AND ARABIA.

238

April to June 1913.

PUBLIC RECORD OFFICE, LONDON

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CONFIDENTIAL.

Further Correspondence respecting the Affairs of Asiatic Turkey and Arabia.

Part X.

[14905] No. 1.

India Office to Foreign Office.—(*Received April* 1.)

Sir, *India Office, March* 31, 1913.

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter, dated the 27th March, forwarding a draft agreement with the Turkish Government regarding the status of Koweit.

The Marquess of Crewe understands that His Majesty's Government will still endeavour to obtain Turkish recognition of the limits of Koweit defined in the British memorandum dated the 17th July, 1912, and that only if this proves impracticable will the concession embodied in the present draft be made.

I am to offer the following remarks on the text of the draft:—

Preamble.—His Lordship would prefer that the words "and the adjacent territory" should be omitted, as emphasising unnecessarily and in a way that may arouse the suspicions of the sheikh the distinction between the two areas, which is sufficiently clearly drawn in the body of the agreement.

Clause 3.—His Lordship attaches great importance to the reference to foreign relations, and trusts that, though it may be difficult for the Turkish Government to accept it, it will be insisted on.

Clause 5.—He would prefer to say "articles 1 to 4," thus limiting the Turkish agent to the narrower area and lessening the opportunities for intrigue. His Lordship thinks that it might also be desirable to add to the list of islands what is shown on the map as Maqta Island, although, according to the "Gazetteer," no channel exists between it and the mainland.

Clause 7.—(*a.*) For "Hafan" read "Hafar." (*b.*) Lord Crewe notes that the map attached to Foreign Office Print, "Asiatic Turkey," Section I, February 27,* is not quite accurate in that the green line does not clearly include Wabrah and Al Garaa. The sheikh is known to be very anxious to retain Anta'a ('Nta), and his Lordship trusts that this may be secured in return for the concessions made in the earlier part of the agreement, and in view of the fact that His Majesty's Government are not supporting the wider claims which, as will be seen from the enclosed copy of a telegram from Sir P. Cox, dated the 26th March, 1913, the sheikh has himself made to the Turkish Government. (*c.*) As the sheikh expressly claims Um Kasr, it might be advisable to make it clear that His Majesty's Government do not support him by substituting "forts at Um Kasr and Safwan" for "fort at Safwan" in the third line of this clause.

The last two lines of the clause are repeated from clause 6, and seem superfluous.

* See Part IX, map facing p. 63.

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Clause 8.—It is understood that a reference to the lease agreement of 1907 will be embodied in this clause, or else that the Turkish Government will be pressed formally to take note, in a separate document of the existence of the lease, which was mentioned in Sir E. Grey's memorandum to the Turkish Ambassador, dated the 24th October, 1911.

Clause 10.—Lord Crewe trusts that this will not be included, except in the last resort. The natural line of approach for Turkish troops to Nejd does not lie across the area covered by the agreement, and, in spite of the safeguards that have been inserted, this concession may be a source of much difficulty hereafter.

Subject to the above remarks, his Lordship concurs in the terms of the draft.

I am, &c.

T. W. HOLDERNESS.

Enclosure in No. 1.

Lieutenant-Colonel Sir P. Cox to Government of India.

(Telegraphic.) *Code.* *Bushire, March* 26, 1913.

SHEIKH of Koweit, writing on 11th March, informs me that Ottoman Government authorities have asked representative of Sheikh of Koweit at Basra to obtain from sheikh confidentially a memorandum setting forth boundaries of territory claimed by sheikh. In reply, sheikh says he has given his representative a memorandum to show informally to Ottoman Government authorities as desired, and sends me a copy of it. Document rather crudely worded, but the following is the boundary claimed, as I read it:—

Sheikh of Koweit claims that Jubail-al-Bahri is his southern limit on the coast. To the north of that point coastwards he claims everything as far as Khor Abdullah, including Failakah, Bubian, Warbah, and their waters. On the north he includes Um Kasr and Safwan in his limits. From Safwan boundary goes due west to Batin, and thence follows Batin to include Hafar, thence to the most southerly point in the south centre, which he places at Al Hubeh, said to be just south of Mimisir-al-Chort. From thence boundary claimed by him to the south of Anta, and passes thence south-eastward to the coast of Jubail-al-Bahri.

(Repeated to Secretary of State.)

[14938] No. 2.

Consul Crow to Sir Edward Grey.—(Received April 1.)

(No. 17.)
(Telegraphic.) *Achar, April* 1, 1913.

I AM informed that engineer of light-house administration applied to British merchant last week for free rate for two gas-buoys from Basra to the bar. He said two buoys were being sent from Constantinople, one for the bar and the other to be kept in reserve here.

I understand that the buoys will be lighted with acetylene gas.

(Sent to embassy; repeated to Foreign Office and Bushire for the information of Government of India.)

[14408] No. 3.

Sir Edward Grey to Sir C. Louther.

(No. 165.)
(Telegraphic.) *Foreign Office, April* 1, 1913.

YOUR telegram No. 174 of 20th March: Arab unrest.

We had already acted on consul's earlier telegrams.

[14978] No. 4.

India Office to Foreign Office.—(Received April 2.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 29th March, 1913, regarding the boundaries of Koweit.

India Office, April 1, 1913.

Enclosure in No. 4.

The Marquess of Crewe to Government of India.

(Telegraphic.) P. *India Office, March* 29, 1913.

PLEASE refer to telegram of 26th instant from Resident, Bushire (which was sent in word code).

The Koweit question is at present at following stage: Negotiations are being pursued, their basis being the memorandum of 17th July; Turkey, however, is raising difficulties on question of boundaries, and this may force Foreign Office to put forward the compromise which is shown in Sir A. Hirtzel's letter to Parker (forwarded in letter of 28th ultimo from my political secretary). But Foreign Office will then try to secure Anta for sheikh.

If you think it expedient that sheikh should now be prepared to anticipate loss of Musalamiyeh, Safwan, and Um Kasr, as well as, possibly, Anta, he could be given general assurance that nothing less will satisfy His Majesty's Government than the utmost guarantees for maintenance of his autonomy on basis of the July memorandum, but that negotiations would break down if the wider limits which he claims were made a *sine qua non*. The form of communication which he is likely to find least unwelcome I leave to your Excellency to select, but avoidance of details is desirable; mention of the possible compromise is particularly to be avoided lest some inkling of it should reach the Turks. It would be advisable to warn him that he may have to receive a Turkish agent as condition of recognition of his autonomy; explanation of this, which you suggested in your telegram of 13th July last, could be adopted. The situation at Constantinople is very uncertain, and there may be a fall of the Government with consequent lapse of negotiations; the communication to sheikh should therefore be strictly confidential.

[15117] No. 5.

Sir C. Louther to Sir Edward Grey.—(Received April 2.)

(No. 180.)
(Telegraphic.) *Constantinople, April* 2, 1913.

MY despatch No. 1431 of 31st December last year and No. 31 of 15th January.

His Majesty's consul at Aleppo reports that his French colleague has received a telegram from Diarbekir reporting that Kurdish chiefs at Jezireh Midiat and Redvan have risen, and that movement is spreading. Chiefs are protecting the Christians. Two hundred gendarmerie are being sent to Tigris to protect navigation.

[15220] No. 6.

Anglo-Persian Oil Company to Foreign Office.—(Received April 3.)

(Confidential.) *Winchester House, Old Broad Street, London, April* 2, 1913.

Sir,

I BEG to acknowledge receipt of your letter of the 31st ultimo, enclosing copy of a despatch from His Majesty's Ambassador at Constantinople recording a conversation with Mr. E. Whittall, a director of the National Bank of Turkey, on the subject of the oilfields of Asiatic Turkey, and also giving the substance of a telegram since received

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from his Excellency reporting a statement made by the Grand Vizier as to the rights held by the German group in respect of the Bagdad Railway Convention.

With regard to the latter, I would beg to draw attention to the clause of the said convention referring to the right to exploit mines, which reads as follows :—

"Article 22. Le concessionnaire pourra exploiter les mines qu'il aura découvertes dans une zone de 20 kilom. de chaque côté de l'axe de la voie, en se conformant aux lois et règlements y relatifs, et sans que cela constitue pour lui un privilège ou un monopole."

From this it will, we think, be evident that the Grand Vizier's statement that the most valuable oil districts would in any case go to the German group in virtue of the Bagdad Railway Convention is quite unjustified, inasmuch as the German group have not yet "discovered" any petroleum mines at all, nor have they complied with the rules and regulations relative thereto, *i.e.*, put in applications for any specific mine or mines as required under this article, without which it is quite clear that they cannot claim any "discovery" of oil land.

Further, under the terms of the convention it is not, we think, permissible for the German group to "discover" any mines before the railway in question is actually constructed or is in course of construction, because until then it would be impossible for them to show what the delimitations of their "zone" would be.

Consequently our rights under the assurances given to us by the Turkish Government in 1909 clearly rank prior to any rights which the German group may consider they hold by virtue of the Bagdad Railway Convention.

We are, of course, quite prepared to recognise any real rights which may exist under the Bagdad Railway Convention, but, assuming that the Turkish Government carry out their engagements to us, we shall ourselves immediately "discover" such territory as we may desire to work; and as there is no reason why this should not be done before the German group will, by the terms of the convention, be in a position to locate any territory, they will, we hold, then only be entitled to claim under the convention such land within their ultimate zone of 20 kilom. as we may not already have "discovered."

Commenting on the report of the interview with Mr. E. Whittall, the whole trend of his conversation would, in our opinion, seem to indicate that the German group are not now so confident of success as they pretend, as otherwise they would not be so insistent in seeking to obtain an amalgamation of the divergent interests.

As regards their supposed claims to the concession under the option given them some long time ago by the Civil List, these may be ignored. We scarcely think the German group now attach serious importance thereto, as we have just learnt from our representative in Constantinople that M. Huguenin has petitioned the Ministry of Mines for a "permis de recherche" for certain territory in Mosul, and that he has indicated his willingness to altogether forgo their claims in Bagdad provided this "permis" is granted. We have requested Mr. Stock to verify this information, as, if true, the obvious conclusion is that the German group realise that they cannot substantiate their claims to the concession as a whole, and are therefore endeavouring to secure, at any rate, a small portion of the oil-bearing land (in Mosul only) by applying for a "permis."

Mr. Whittall's statement that we would be unable to work the fields, even if we get the concession, is, of course, an absurdity.

Neither he nor anyone else can tell which are or are not the best fields in the vilayets of Mosul and Bagdad before the ground is actually tested by drilling; and even if the best fields are situated on the ultimate *tracé* of the Bagdad Railway, the German group would, as we have shown above, have no claim to them if they had first been "discovered" by others.

The suggestion that the railway might charge prohibitive rates and thereby interfere with our successful working of the concession shows great ignorance on the part of Mr. Whittall as to the practical working of an oil company, and assumes a supineness to their own interests on the part of the Turkish Government which there are no reasonable grounds for supposing they would display.

In the first place, if oil be found in any quantity in Mesopotamia only a very small portion of it could be marketed locally, and for export purposes oil would not be transported by rail, but by the much more economical means of a pipe line. Consequently the question of railway rates or preference would only have a very small bearing upon the successful working of the fields by us or by any other group not associated with the Bagdad Railway.

In the second place, as, under the terms of the proposed concession to us, the Turkish Government have, by virtue of the royalty payable to them, an interest in the successful working of the concession, it is hardly conceivable that they would permit of any prohibitive prices or preferential rates that would in any way militate against this, particularly in view of the fact that article 22 of the convention clearly lays down that the mining rights granted thereunder shall in no way constitute a privilege or a monopoly.

With these views before him we trust that His Majesty's Minister at Constantinople will be able to combat very strongly the misleading statements made to him by the Grand Vizier, and be in a position to insist in the most emphatic way on the fulfilment of the assurances given in 1909.

We very much appreciate the hearty assistance which has been given to us in this matter by his Excellency, and feel confident, from the evident uneasiness of the German group, that if a determined stand be now made our negotiations can be brought to a successful conclusion.

I have, &c.
C. GREENWAY, *Managing Director.*

[14408] No. 7.

Sir Edward Grey to Sir G. Lowther.

(No. 92.)
Sir, *Foreign Office, April 3, 1913.*

WITH reference to your Excellency's telegram No. 174 of the 29th March, and to previous correspondence on the subject of the present unrest among the Arab tribes in the neighbourhood of Basra, certain misunderstandings seem to have arisen, of which an explanation would appear to be desirable.

In the first place I have to request your Excellency to obtain from His Majesty's consul at Basra an explanation of how he, in the last paragraph of his telegram of the 12th March, represented the case of the Arabs as one deserving of consideration, and emphasised the undesirability of alienating their sympathies, while his subsequent telegram of the 19th March presents their case against the Turkish Government in a much less favourable light, and shows that their conduct has in fact been reprehensible.

I must further point out, with reference to Mr. Crow's telegram No. 14 of the 21st March, paraphrase of which is enclosed in your Excellency's despatch No. 231, Secret, of the 23rd March, that Hakki Pasha had already at that date been spoken to in the sense indicated in my telegram No. 143 to you of the 17th March, so that all the action proposed had been taken.

Your Excellency should explain the above to Mr. Crow, and request him to state to what "proposed action" he alluded in his telegram No. 14. You should at the same time point out to him that his first telegram led His Majesty's Government to take action (albeit unofficial) from which, had they been in possession of the details contained in his later message, they might have been disposed to abstain.

I am, &c.
E. GREY.

[14938] No. 8.

Sir E. Mallet to Hakki Pasha.

SIR LOUIS MALLET presents his compliments to Hakki Pasha and, with reference to his note of the 27th February last, has the honour to inform his Highness that, according to a report from His Majesty's consul at Basra, the engineer in charge of the lighthouse administration at that port last week requested a British merchant to convey gratis from there to the bar of the Shatt-el-Arab two buoys to be lighted by gas. He added that the two buoys, one to be used at the bar and the other to be held in reserve, were being dispatched from Constantinople.

Sir Louis Mallet has the honour to request his Highness to be so good as to telegraph immediately to the Turkish Government on the subject.

Foreign Office, April 3, 1913.

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[15349] No. 9.

India Office to Foreign Office.—(Received April 4.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 1st April, 1913, regarding the proposed wireless installation at Debai.

India Office, April 3, 1913.

Enclosure in No. 9.

The Marquess of Crewe to Government of India.

(Telegraphic.) P. *India Office, April* 1, 1913.

DEBAI.

Please refer to your telegram of the 19th February.

His Majesty's Government, before coming to decision, wish for information on following three points, viz.:—

When is your action proposed to be taken? What force do you think will be required for protection of installation (*a*) during its erection (*b*) permanently? Is it possible for permanent force to remain through hot weather at Debai?

Postponement of action till after conclusion of negotiations with Turkey would be preferred by His Majesty's Government. Letter of the 30th April, 1911, from Resident, Bushire, seems to indicate that commencement of work should be made early in cold weather. If so, it is for consideration whether a postponement of whole question for three or four months is not possible; other developments may take place in this period.

[15416] No. 10.

Board of Trade to Foreign Office.—(Received April 4.)

Sir, *Board of Trade, April* 3, 1913.

WITH reference to your letter of the 18th March transmitting copy of a despatch from His Majesty's Ambassador at Constantinople relative to the proposed new customs warehouses at Bagdad, I am directed by the Board of Trade to state for Sir E. Grey's information that, in view of the considerations urged by Sir R. Crawford and of the change in the situation as regards the project for a railway south of Bagdad, they do not now desire to suggest any further postponement of the project.

The Board assume that in the selection of the site for the new warehouse due attention has been given to the convenience of river-borne as well as of rail-borne traffic, and that the former will not be handicapped in any way as a result of the change; but I am to suggest for Sir E. Grey's consideration that His Majesty's Ambassador at Constantinople, or His Majesty's consul-general at Bagdad, might be instructed to furnish an early report on this point.

I am, &c.
GEO. J. STANLEY

[15453] No. 11.

Sir G. Lowther to Sir Edward Grey.—(Received April 4.)

(No. 182.)
(Telegraphic.) *Constantinople, April* 4, 1913.

MY telegram No. 180 of 2nd April.

Vice-consul at Mosul telegraphs, in answer to my enquiry, that he has no knowledge of any actual rising, but that there is general unrest in the Jezireh district and intertribal troubles in the Barzan Mweru, towards Persian frontier.

[16925] No. 12.

Sir G. Lowther to Sir Edward Grey.—(Received April 14.)

(No. 218.)
Sir, *Constantinople, March* 17, 1913.

IN my despatches No. 121 of the 22nd February, 1911; No. 143 of the 7th March, 1911; No. 271 of the 24th April, 1911; and No. 346 of the 17th May, 1911, I had occasion to report on the subject of Zionism in Turkey.

After the *coup d'État* of the 23rd January last by which the Committee of Union and Progress seized power, the Zionists again became active here, and the Grand Rabbi of Turkey addressed to the Minister of Justice and Cults two notes, demanding the abolition of the "red passport" with which non-Ottoman Jews have for over a decade been obliged to provide themselves on entering Palestine, and the removal of the restrictions against the acquisition by Ottoman Jews of large tracts of land outside the towns and villages in Palestine, and against the holding of land within the towns of Palestine by non-Ottoman Jews.

I have the honour to enclose the text of those two notes,* taken from the "Aurore," the local Zionist organ. The Grand Rabbi describes the "red passport" system and the other restrictions as "deeply wounding to Jewish national and religious dignity," but it would appear that they were not so intended by the Ottoman Government, which has maintained similar restrictions in the case of Christians in the vilayet of the Hedjaz.

Jews are free to travel, reside, and hold property, &c., in other parts of the Ottoman Empire, and it was only when the Zionist movement appeared, from the language of its expounders, to aim at the establishment of a Jewish polity in Palestine that the Turkish Government initiated the restrictive measures which it is now sought to have removed.

The disabilities in question are dealt with at length in Dr. Max Nordau's long letter to the "Times" of the 30th December last. From this and other writings on the subject, it would appear that the Jewish problem, from the Zionist point of view, is not one of creed but of nationality, and that it is, perhaps, one of the most important race problems with which Turkey has to deal, in addition to those of the Arabs, Kurds, Armenians, &c.

Besides the political reasons which have led the Ottoman Government to oppose Zionism in the form of "unrestricted immigration of non-Ottoman Jews into Palestine," it also felt it necessary to take this course owing to the opposition of the local Moslem Arabs, who, on economic grounds, objected to the large influx of foreign Jews, backed up by subsidies from wealthy Jewish associations, thus rendering it impossible for the native Arab to compete with the new-comers. Further, the Ottoman Government is particularly sensitive in all matters connected with Jerusalem, which also contains the Holy Sepulchre and other places to which Christians, and particularly those of the Oriental branch, attach such importance, especially in view of the causes which contributed to the Crimean war. It was consequently alarmed at Zionist projects, as set forth by Dr. Herzl in his book on the subject styled "The Jewish State."

Dr. Max Nordau "solicits the friendly interest" of European diplomacy in the matter, but it might be difficult to support projects of the kind without, perhaps, giving umbrage to the Arabs; and, in view of our position in Egypt, His Majesty's diplomatic agent and consul-general in Cairo, to whom I am forwarding copy of this despatch, would doubtless be better able to judge of the attitude which His Majesty's consular officers in Syria and Palestine should adopt in the matter.

I also beg to enclose copy of a leading article from the "Aurore,"* in which the writer, Lucien Scinto, draws a picture of what might be styled an alliance between Panjudaism and Panislamism in Turkey, where the Moslem Jewish and Christian creeds are found in juxtaposition, and frequently have antagonistic aspirations and interests, as in the present phase of the question of Salonica and its Macedonian hinterland.

I have, &c.
GERARD LOWTHER.

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* Not printed.

PUBLIC RECORD OFFICE, LONDON

[15561] No. 13.

Sir G. Lowther to Sir Edward Grey.—(Received April 5.)

(No. 257.)

Sir, *Constantinople, March 31, 1913.*

I HAD another opportunity of speaking to the Grand Vizier yesterday on the subject of the claim of the Anglo-Persian Oil Syndicate, represented here now by Mr. Stock, and I explained to his Highness that we could not share his view as to the advisability of an amalgamation which he had suggested in a recent conversation, as reported in my despatch No. 239 of the 24th instant, but that His Majesty's Government must insist upon the carrying out of the promises made by Hussein Hilmi Pasha, supported, as we believed them to be, by a decision of the Council of Ministers.

His Highness, in reply, said that all the researches that had been made had failed to reveal any decision of a Council of Ministers in favour of the English company, and that, if Hilmi Pasha had made any such reference, it could only have been to a discussion in the Council of Ministers and not to a decision of that body.

I said that it seemed to me obvious that Hilmi Pasha would not have continued to negotiate with the English company if the German company still had rights in the matter, to which his Highness replied that a contract existed between the German company, subsequent to the transfer of the Civil List, and the Ministry of Finance, and that, if this were not carried out, the German company would undoubtedly bring an action against the Government, which, in his opinion, they would win.

The document to which the Grand Vizier referred is presumably the protest made by the German company against the cancellation of their previous rights. In any case, Mr. Whitall declares that there was no contract beyond the Zander agreement and the above-mentioned protest.

There was likelihood, the Grand Vizier said, that if we did not agree to an amalgamation the matter would drag on and neither side might obtain the concession.

But, his Highness added, the Turkish Government now appreciated that they might derive very considerable revenues from the exploitation of these petroleum fields, and for this reason he was anxious to see a settlement on the lines he had suggested, namely, amalgamation.

I enclose herewith a copy of a letter received from Mr. Stock, reporting a conversation with the Minister of Mines. It will be observed that the Minister took up a different attitude from that adopted by the Grand Vizier, and implied that the deposits would be given to the highest bidder.

The statement of the Minister regarding the action of the Council of Ministers in 1909 is probably a correct one, namely, that no definite decision was taken in favour of Mr. Nichols, but that his proposals were to be favourably considered if no competitor offered better conditions.

I have, &c.
GERARD LOWTHER.

Enclosure 1 in No. 13.

Mr. Stock to Sir G. Lowther.

Your Excellency, *Constantinople, March 31, 1913.*

I HAVE the honour to submit, enclosed herewith, the report of the interview I had of the Minister of Mines on the 29th.

Your Excellency will find it as unsatisfactory as all the interviews have hitherto been. I have been unable to obtain a copy of the 1909 decision of the Council of Ministers to test his statement in regard thereto, and until I can get this it will be difficult to deal with the Minister, though from his tone it is clear that he is not acting on his own initiative, but is simply serving as the Grand Vizier's mouthpiece.

I have, &c.
R. W. STOCK.

Enclosure 2 in No. 13.

Report of Interview between Minister of Mines and Mr. Stock.

AFTER several ineffectual attempts I saw the Minister to-day and enquired as to the expected reply from the Porte.

He stated that no reply had been received. I complained that valuable time was being lost, and that the reply of the Porte ought not to be such a difficult matter in view of the existing records of past negotiations.

Djelal Bey replied that it must not be thought that the settlement of the question was so easy, as he was determined to turn the oil deposits to the best account for the Imperial Government, and that, in order to arrive at an approximate valuation, he had dispatched delegates to Batoum and Roumania to get an idea of the value of oil lands. On the receipt of the reports of the delegates he would be in a position to deal with the question. I objected that it was materially impossible to compare the unproved territory we are dealing with as against the Russian and Roumanian lands. His reply was, applying foreign values to the Mesopotamian areas, he would be satisfied to get one-fifth of such value, and that, in any case, the deposits would go to the highest bidders.

I again referred him to the 1909 decision of the Council of Ministers, and stated that I did not see how the concessions could possibly go to any but the group represented by Mr. Nichols. In reply to this he said that the Council of Ministers had never decided to grant the concessions, as stated; that all the Council had done was to decide that, unless the Nichols propositions could be bettered, they were to be favourably considered.

The Minister definitely stated that this decision clearly left his path open to deal with the highest bidder.

I ventured to suggest that I had every reason to believe that Mahmoud Shefket Pasha did not look at the matter in quite the same light. This drew the prompt reply that if there was any interference by the Grand Vizier in his Department's work he (the Minister) would at once resign. I told him there was no desire to pass over his head, but it was only reasonable to suppose that, as the Council of Ministers had dealt with the matter in the past, it would continue to deal with it in the future, and, as president of that body, Mahmoud Shefket Pasha's opinions and statements were worthy of consideration.

The appearance of visitors put a stop to further discussion.

Conclusions.—I have to find out if it is true that delegates have been sent to Russia and Roumania in order to test the Minister's statement under this head. The absence of any desire to negotiate or deal with the question, and the Minister's statement that the reports of the delegates must be awaited, again shows an intentional delaying of the business.

March 29, 1913.

[15659] No. 14.

Board of Trade to Foreign Office.—(Received April 5.)

Sir, *Board of Trade, April 4, 1913.*

WITH reference to your letter of the 26th March, transmitting copy of correspondence relative to the possible formation of an international company for the navigation of the Euphrates and Tigris Rivers, I am directed by the Board of Trade to state that they concur in the tenor of the communication which Sir E. Grey proposes to address to Hakki Pasha on the subject.

I am to add that the Board would be glad to be favoured in due course with copy of any reply which may be received from the Euphrates and Tigris Steam Navigation Company to Sir L. Mallet's letter of the 26th March.

I am, &c.
GEO. J. STANLEY.

PUBLIC RECORD OFFICE, LONDON

[12660] No. 15.

Sir Edward Grey to Sir G. Lowther.

(No. 99.)

Sir, *Foreign Office, April 5, 1913.*

WITH reference to your Excellency's despatch No. 206 of the 15th ultimo, summarising consular reports of unrest in Asiatic Turkey, I have to request your Excellency to address to the Turkish Government, in an unofficial manner, a warning as to the grave danger to the Christian population of Asia Minor which may be expected to follow the return of the troops from the war.

Your Excellency should at the same time inform the Porte that, on the strength of reports from various sources of atrocities committed on Moslems by subjects of the allied Balkan States, His Majesty's Government have on several occasions made unofficial representations (we have made none at Athens) to the Governments of the nations concerned, protesting against the reported outrages.

I am, &c.
E. GREY.

[15719] No. 16.

Sir G. Lowther to Sir Edward Grey.—(Received April 6.)

(No. 186.)

(Telegraphic.) *Constantinople, April 6, 1913.*

MY telegram No. 182 of 4th April.

Following from consul at Mosul to-day:—

"Five hundred infantry, with two mountain guns, have been ordered to proceed at once to Jezireh."

[15792] No. 17.

Foreign Office to Board of Trade.

Sir, *Foreign Office, April 7, 1913.*

WITH reference to previous correspondence, I am directed by Secretary Sir E. Grey to transmit to you herewith copy of the revised draft convention for the establishment of a Shatt-el-Arab Navigation Commission, the negotiations for the conclusion of which are proceeding between this department and Hakki Pasha.

Sir E. Grey would be glad to be furnished with any observations the Board of Trade may have to offer on the subject of paragraph 6, section (*g*), the inclusion of which has been proposed by Hakki Pasha.

Sir E. Grey would be grateful if he might receive the views of the Board of Trade not later than Tuesday morning next, the 8th instant.

I am, &c.
LOUIS MALLET.

[16134] No. 18.

India Office to Foreign Office.—(Received April 8.)

Sir, *India Office, April 7, 1913.*

IN reply to your letter of the 26th March regarding the proposed formation of a permanent river transport company on the Tigris and Euphrates, I am directed by the Secretary of State for India to say that the argument that the original concession was made not to Messrs. Lynch but to His Majesty's Government appears to him to be an effective one, if the Secretary of State for Foreign Affairs is satisfied that the concession thus originated, and that the interests subsequently created in favour of Messrs. Lynch by His Majesty's Government are of a strictly limited nature—points as to which the Marquess of Crewe is unable to express an opinion. But as the argument is likely to be challenged no less by Messrs. Lynch than by the Turkish Government, it should

presumably not be used unless there is no room for doubt as to the origin of the concession and as to the right of His Majesty's Government to veto the contemplated arrangement and their power to make their veto effective.

I am, &c.
T. W. HOLDERNESS.

[16222] No. 19.

Sir G. Lowther to Sir Edward Grey.—(Received April 9.)

(No. 272.)

Sir, *Constantinople, April 5, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's consul at Damascus on the subject of rumours of Bedouin unrest in the south.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 19.

Consul Devey to Sir G. Lowther.

(No. 20.)

Sir, *Damascus, March 24, 1913.*

I HAVE the honour to report that on the 23rd March a Faiz tribesman of Beni Sakhr arrived from Amman and he reports that the Ruwela tribe suffered quite recently heavy losses (no details yet received) from Ibn Rashid, and fled to the Balka district near Salt. Ibn Rashid occupied Jauf, taking the places and pasturages used by the Ruwela.

These hostilities have been going on for four years past in a desultory way.

Ibn Rashid and Ibn Saud are now in agreement, but this probably will not last long.

I have, &c.
G. P. DEVEY

[16290] No. 20.

India Office to Foreign Office.—(Received April 9.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 8th April, 1913, regarding Koweit.

India Office, April 9, 1913.

Enclosure in No. 20.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *April 8, 1913.*

KOWEIT.

I have received the following telegram from the Resident, Bushire, with reference to the compromise described in the letter from the India Office, dated the 26th February, of which a copy was enclosed in the Political Secretary's Letter No. 9:—

"I venture to urge strongly that a right of way should be refused to Turkish troops, in any case from seawards and within a distance of 60 miles from the circle. By securing such a right the Turks would in practice be enabled to put pressure on Mubarak, and Koweit would be threatened without the letter of compromise with us being violated, and on the colourable pretext that Central Arabia was the objective of the troops."

The Resident's view has my support.

PUBLIC RECORD OFFICE, LONDON

[16335] No. 21.

Paper communicated by Hakki Pasha, April 9, 1913.

ARTICLE 1er.

1. LE Gouvernement Impérial garantit que :

Si la Société du Chemin de Fer de Bagdad établit, pour certains parcours et pour certaines catégories de transports, des tarifs abaissant les taxes au-dessous des limites fixées par le cahier des charges, elle sera—tant que ces tarifs n'auront pas été abrogés ou modifiés avec l'autorisation du Gouvernement ottoman—tenue de faire bénéficier des mêmes réductions les transports se présentant dans les mêmes conditions, c'est-à-dire les transports identiques au point de vue de la nature des marchandises, des stations de départ et d'arrivée, du parcours effectué entre ces stations, des conditions de tonnage, d'emballage et de vitesse (grande vitesse, petite vitesse et éventuellement délais supérieurs à ceux de la petite vitesse).

Étant bien entendu que la disposition ci-dessus ne s'applique qu'aux transports commerciaux, et que les taxes dont bénéficient ou bénéficieront—

(*a.*) Les transports militaires et civils du Gouvernement ottoman ;
(*b.*) Les transports afférents aux services publics de l'État ottoman ;
(*c.*) Les transports afférents aux émigrants ou aux indigènes ;
(*d.*) Les transports afférents au matériel et aux matériaux destinés à la construction des travaux publics ou à l'exploitation des services y afférents ;

ne seront pas applicables aux transports commerciaux.

2. Le Gouvernement Impérial aura le droit d'établir une distinction entre les taxes à appliquer au trafic local, d'une part, et au trafic d'importation, d'exportation ou de transit, d'autre part.

Mais, pourvu que les conditions restent identiques au point de vue de la nature des marchandises, des stations expéditrices (en Turquie), des stations extrêmes (en Turquie), du parcours effectué entre ces stations, des conditions de tonnage, d'emballage et de vitesse, le régime à appliquer restera le même, quelque soit—

(*a.*) Le lieu de origine des marchandises importées en Turquie ;
(*b.*) Le lieu de destination des marchandises exportées hors de Turquie ;
(*c.*) Le lieu d'origine et de destination des marchandises transitant par la Turquie.

3. Le Gouvernement Impérial garantit que :

La Société du Chemin de Fer de Bagdad ne pourra conclure avec une société de navigation fréquentant un ou plusieurs ports maritimes desservis par son réseau des arrangements particuliers relatifs à certaines catégories de marchandises importées ou exportées par ces ports, sans que ces arrangements ne soient de plein droit applicables à toutes les autres sociétés de navigation important ou exportant les mêmes catégories de marchandises par les mêmes ports et dans les mêmes conditions, les mots de "mêmes conditions" ayant la même signification qu'au paragraphe 1.

[14674] No. 22.

Foreign Office to India Office.

Sir, *Foreign Office, April 9, 1913.*

WITH reference to correspondence ending with the letter from this Office of the 26th ultimo, relative to the transport up the Tigris of material for the construction of the Bagdad Railway, I am directed by Secretary Sir Edward Grey to transmit to you herewith copies of further papers on the subject.

It will be observed in the first place, from the enclosure in the despatch from His Majesty's Ambassador at Constantinople, that in spite of the protestation of the Euphrates and Tigris Steam Navigation Company originally made in their letter of the 13th ultimo (copy of which was enclosed in the letter from this Office of the 26th ultimo), and now repeated in their letter of the 26th ultimo, that there is any inadequacy in

the arrangements for the transport of railway material, a serious shortage in this respect does in fact exist.

It has seemed well to Sir E. Grey to call the attention of the company to the facts reported by Mr. Crow.

As regards the general aspect of the question, the company in their letter of the 13th ultimo deny that they have been approached with a view to participation in a permanent river transport company, or that they have given any encouragement to such a scheme, and they maintain their attitude in their subsequent letter, while forwarding in it a copy of a communication to the Deutsche Bank in which they express their willingness to enter into such a combination.

Sir E. Grey has learnt from another but equally sure source that it is the intention of the Sublime Porte to propose this solution of the question, the result of which would be that, instead of granting to His Majesty's Government the right to place three additional steamers on the river as proposed in the memorandum of the 18th July last, they offer an arrangement whereby the present British company will be absorbed by a Turco-German combination, and perhaps eventually excluded altogether from the river, while the British flag will in any case disappear from it.

Such a solution, coupled with the renunciation of British rights as regards the Bagdad Railway, cannot fail, in Sir E. Grey's view, to produce an unfavourable effect on public opinion in this country, but he finds it difficult to see how the object of maintaining competition between the railway and the river by means of an independent British steamship company can be secured, or how such a company is to be prevented from coming to an arrangement with the Bagdad Railway Company as to rates, or from being bought out by the latter if advantageous terms are offered to them.

This result might be attained were His Majesty's Government prepared to maintain the British company in existence by means of a subsidy, and I am to state that Sir E. Grey would be glad to learn whether, in the opinion of the Marquess of Crewe such a course should be adopted, or whether the principle of amalgamation should be accepted, and an effort made to obtain the best possible terms for the British company.

I am, &c.
LOUIS MALLET.

[14674] No. 23.

Foreign Office to Board of Trade.

Sir, *Foreign Office, April 9, 1913.*

WITH reference to correspondence ending with the letter from this Office of the 26th ultimo relative to the transport up the Tigris of material for the construction of the Bagdad Railway, I am directed by Secretary Sir Edward Grey to transmit to you herewith copies of further papers on the subject.

It will be observed in the first place, from the enclosure in the despatch from His Majesty's Ambassador at Constantinople, that in spite of the protestation of the Euphrates and Tigris Steam Navigation Company originally made in their letter of the 13th ultimo (copy of which was enclosed in the letter from this Office of the 26th ultimo) and now repeated in their letter of the 26th ultimo, that there is any inadequacy in the arrangements for the transport of railway material, a serious shortage in this respect does in fact exist.

It has seemed well to Sir E. Grey to call the attention of the company to the facts reported by Mr. Crow.

As regards the general aspect of the question, the company in their letter of the 13th ultimo, deny that they have been approached with a view to participation in a permanent river transport company or that they have given any encouragement to such a scheme and they maintain their attitude in their subsequent letter while forwarding in it a copy of a communication to the Deutsche Bank in which they express their willingness to enter into such a combination.

Sir E. Grey has learnt from another but equally sure source that it is the intention of the Sublime Porte to propose this solution of the question, the result of which would be that, instead of granting to His Majesty's Government the right to place three additional steamers on the river as proposed in the memorandum of the 18th July last, they offer an arrangement whereby the present British company will be absorbed by a Turco-German combination and perhaps eventually excluded altogether from the river while the British flag will in any case disappear from it.

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Such a solution, coupled with the renunciation of British rights as regards the Bagdad Railway cannot fail, in Sir E. Grey's view, to produce an unfavourable effect on public opinion in this country, but he finds it difficult to see how the object of maintaining competition between the railway and the river by means of an independent British steamship company can be secured or how such a company is to be prevented from coming to an arrangement with the Bagdad Railway Company as to rates or from being bought out by the latter if advantageous terms are offered to them.

This result might be attained were His Majesty's Government to maintain the British company in existence by means of a subsidy and I am to state that Sir E. Grey would be glad to learn whether, in the opinion of the Board of Trade such a course should be adopted or whether the principle of amalgamation should be accepted and an effort made to obtain the best possible terms for the British company.

I am, &c.
LOUIS MALLET.

[14874] No. 24.

Foreign Office to Euphrates and Tigris Steam Navigation Company.

Sir, *Foreign Office, April 9, 1913.*

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 29th ultimo, in the course of which you repeat the statement made in your letter of the 13th ultimo, that you know of no foundation for reports received that the company formed by yourselves and the Deutsche Bank are unable to cope with the work of transporting the necessary material for the construction of the Bagdad Railway.

I am to inform you in reply that, according to a report from His Majesty's consul at Basra, dated the 25th February, which has recently been received at this Office through His Majesty's Ambassador at Constantinople Messrs. Lynch began this work on the 1st February with the tug "Shirin" which arrived on the 27th October but are unable to carry out the full terms of their agreement pending the arrival of the other four tugs.

Under these circumstances, as the railway company are pressing for the delivery of their material, the steam tugs "Pohier," "Samarra" and "Tekrit" brought out by Messrs. Wönckhaus and Company, agents for the Hamburg-American line, are assisting in conveying the material provisionally from Basra to Bagdad and will, it is understood, continue to do so until the Société de Transports fluviaux en Orient provide the necessary vessels under their agreement.

I am, &c.
LOUIS MALLET.

[16502] No. 25.

India Office to Foreign Office.—(Received April 10.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 7th April, 1913, regarding the Turks and the Persian Gulf.

India Office, April 9, 1913.

Enclosure in No. 25.

The Marquess of Crewe to Government of India.

(Telegraphic.) P. *India Office, April 7, 1913.*

NEGOTIATIONS with Turkey as to Persian Gulf. Provided that El Katr remains autonomous and that Bahrein does not annex it, the Turkish Government have expressed their willingness to withdraw entirely from it. They request that their jurisdiction on the mainland may be extended to a point opposite the island of Zakhnuniya, which is to be included. I desire to receive your views at the earliest possible date by telegraph.

[14478] No. 26.

Foreign Office to Private Secretary to the Archbishop of Canterbury.

(Confidential.)
Sir, *Foreign Office, April 11, 1913.*

I AM directed by Secretary Sir Edward Grey to transmit to you herewith, for the confidential information of the Archbishop of Canterbury, copy of a despatch from His Majesty's Ambassador at Constantinople, forwarding copy of a report from His Majesty's vice-consul at Mosul, making certain suggestions as to the steps which should be taken to strengthen British influence in those regions.*

I am to state that Sir E. Grey would be glad to be favoured with an expression of the Archbishop's opinion on Mr. Hony's proposal that his Grace's mission to the Nestorian Christians should turn their attention to the Syrian Jacobites.

I am, &c.
LOUIS MALLET.

[14478] No. 27.

Foreign Office to India Office.

Sir, *Foreign Office, April 11, 1913.*

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's Ambassador at Constantinople,* forwarding copy of a report from His Majesty's vice-consul at Mosul making certain suggestions as to the steps which should be taken to strengthen British influence in those regions.

I am to state that Sir E. Grey would be glad to receive an expression of the Marquess of Crewe's opinion on Mr. Hony's proposal that the Government of India should help to provide tuition in English in the local schools.

I am to add that the Archbishop of Canterbury is being consulted as to the suggestion that his Grace's mission to the Nestorian Christians should turn their attention to the Syrian Jacobites.

I am, &c.
LOUIS MALLET.

[16734] No. 28.

Sir G. Lowther to Sir Edward Grey.—(Received April 12.)

(No. 277. Confidential.)
Sir, *Constantinople, April 6, 1913.*

WITH reference to Mr. Crow's telegram to me, No 17 of the 31st March last, regarding gas buoys for the bar at Basra (copy of which was repeated to you by Mr. Crow), I have the honour to transmit herewith copy of a despatch I have to-day addressed to him giving the substance of the information I have been able to elicit by confidential enquiry from the Ottoman Lighthouse Administration here on this point.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 28.

Sir G. Lowther to Consul Crow.

(No. 3. Confidential.)
Sir, *Constantinople, April 6, 1913.*

ON receipt of your telegram No. 17 of the 31st ultimo, I caused enquires to be made confidentially of the Ottoman Lighthouse Administration here on the subject of the gas buoys which you have been informed were to be sent from Constantinople for use on the bar at Basra.

* Part IX, No. 177.

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From these enquiries it appears that it has been decided to have constructed and despatched, when completed, to Basra two buoys to be lighted with acetylene gas to be placed on the bar near Basra.

The buoys are being ordered in Stockholm, and the order is only just now on the point of being given. It is estimated that seven months from the present will elapse before the buoys can be completed and despatched and one moored in its berth. When completed the buoys will be shipped at Stockholm for Basra.

It is stated here, that the person making enquiries at Basra is not an engineer but a local agent who was instructed by the administration to ascertain the cost of towage of the new buoy from Basra to the bar and the return towage of an old buoy to Basra.

I am, &c.
GERARD LOWTHER.

[16735] No. 29.

Sir G. Lowther to Sir Edward Grey.—(Received April 12.)

(No. 278.)
Sir, *Constantinople, April 6, 1913.*

WITH reference to your despatch No. 54 of the 19th February last and to my despatch No. 1131 of the 31st December last, I have the honour to transmit herewith copy of a despatch from His Majesty's vice-consul at Van reporting the visit of a Russian newspaper correspondent in his district.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 29.

Vice-Consul Molyneux-Seel to Sir G. Lowther.

(No. 5.)
Sir, *Van, March 10, 1913.*

I HAVE the honour to inform your Excellency that a correspondent of the Russian newspaper "Birjevyia Vedomosti" has arrived at Van, and after staying here about ten days purposes visiting Bitlis, Sert, and Diarbekir.

This event, insignificant in itself, derives importance from the effect which it has produced on Armenian feeling.

The Balkan war and public opinion in Europe with regard to Turkey had already raised the hopes and aspirations of the Armenians for European intervention on their behalf to a very high pitch. The advent of this correspondent was consequently hailed with the greatest enthusiasm by all classes of Armenians, who, lacking all sense of proportion, regard the event as one of the greatest political importance for themselves, and have allowed their hopes of European, or at least Russian, intervention on their behalf to be increased at least tenfold.

If then in the end the Armenians find themselves disappointed in these hopes and thrown back on their own resources, it is possible that the revulsion of feeling produced might have the effect of inducing all classes and political creeds to throw in their lot with any revolutionary movement which might be set on foot. The Taschnakists would hardly allow such an opportunity to escape them, realising as they would that the Armenian soldiers (who number in this vilayet about 500, including the entire artillery battalion), freed from counter influences, would easily fall under their own.

The question naturally presented itself as to whether in fact this correspondent came with any mission from the Russian Government, such as the arousing of public opinion in Russia in favour of the Armenians preparatory to any contemplated step by Russia with regard to the Armenian vilayets in Turkey. In answer it is only possible to say that the fact of this correspondent being a representative of the Liberal press points to the improbability of any such official mission.

The Armenians of Van gave a banquet in honour of the correspondent. Among those present were the Armenian Mourakhas, all the notables of the town and the chiefs of each of the political parties. The correspondent, who was received like a prince, made a long speech, in the course of which, after explaining the change which had taken place in public opinion and in the attitude of the Russian Government with regard to Turkey and the Armenian question, he said that, as the result of the Balkan war, Turkey's strength would henceforth be concentrated in Asia and directed against the frontiers of

Russia for the purposes of taking revenge. Russia would thus have need of a barrier to protect herself against Mahommedan fanaticism. "This barrier will be the peaceful and laborious, the physically and morally strong Armenian nation."

I have, &c.
L. MOLYNEUX-SEEL.

[16736] No. 30.

Sir G. Lowther to Sir Edward Grey.—(Received April 12.)

(No. 279.)
Sir, *Constantinople, April 5, 1913.*

I HAVE the honour to forward a report (No. 10 of the 5th February) from His Majesty's consul at Aleppo concerning certain phases of the unrest among Kurds and Armenians in his district. As will be seen the Kurds seem to be disaffected towards the central Turkish Government and are reported to be awaiting the occupation of Constantinople by the Balkan allies to start an anti-Turkish movement. Turkish authority in those regions has evidently been severely shaken owing to the events of the last four years and, according to Mr. Fontana, "foreigners in general in the interior are in greater danger now than at any time during the Armenian massacres," *i.e.*, 1895–96. Should circumstances, however, shape so as to lead the Kurds to translate their reported intentions into acts, it may be hoped that in a struggle against the Turks, they would be unlikely, on the whole, to molest Christians and foreigners. The danger would be in a successful attempt of the Committee to divert the anti-Turkish tendencies of the Moslem Kurds into anti-Christian channels.

I have further the honour to enclose copies of anonymous communications, apparently from an Armenian source addressed some time ago to His Majesty's vice-consulate at Adana. Document (A) is an appeal for the British occupation of Cilicia and the internationalisation of Constantinople and the Straits as a means of "repairing the iniquity of the Congress of Berlin." These documents are perhaps evidence of a recrudescence of the activity of Armenian revolutionary societies in those regions, and, in a despatch just received from His Majesty's vice-consul at Alexandretta, it is reported that during the week preceding the 25th March a Greek merchant steamer from the Piræus was cruising at night in the Gulf of Alexandretta with the object, it was alleged, of secretly landing some 200 armed Armenian revolutionaries at the village of Deurtyol which was the scene of tragic events during the Armenian massacres in April 1909.

There are many indications of late that since the *coup d'état* of the 23rd January the Kurdish and Armenian problems have been growing in acuteness and may soon demand radical treatment.

I have, &c.
GERARD LOWTHER.

Enclosure 1 in No. 30.

Consul Fontana to Sir G. Lowther.

(No. 10.)
Sir, *Aleppo, February 5, 1913.*

REFERRING to my despatch No. 81 of the 29th December, 1912, reporting the movements of Kurdish sheikhs, and of the "Hamidieh" cavalry, and the situation in the Zeitoun district, I have the honour to submit the following short report summarising events in this province from that date up to the present moment:—

The sheikh of one of the Anaizi tribes near Meskeneh (Adgin) was recently at Aleppo. He informed a European of position here, who has business relations with the Arab sheikhs, and with whom I am acquainted, that the Khedive had sent him presents, and that he had promised to march down this way with 20,000 of his tribesmen as soon as Constantinople fell. This sheikh is the son-in-law of Ibn Reshid, of Hayil, the sheikh-in-chief of all the Anaizi tribes, who possesses guns of a kind and a small standing army, or rather a body-guard of 3,000 men. The sheikh's statement corroborates the news imparted by the Kurdish Sheikh Busrawi to Mr. Woolley, to the effect that Ibn Reshid and his tribes intended joining action with the Kurds when the time was ripe. (*Vide* my despatch No. 78, Confidential, of the 14th December, 1912).

Mgr. Nerses, the Armenian Murakhass at Aleppo, has returned from his tour to Zeitoun, and its neighbourhood, whither he was instructed to proceed, under the

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circumstances reported in my despatch No. 81. His tour seems to have had excellent results. Through his efforts an amnesty was granted to all deserters from the Ottoman army, whether Christian or Moslem, now lurking in the Zeitoun mountains. Since, however, the fall of Kiamil Pasha, instructions have been received by the Vali of Aleppo that the amnesty is not to apply to deserters guilty of murder, or to condemned persons. Mgr. Nerses informed me, on his return, that he had visited all the Armenian villages lying around Zeitoun, and had suffered considerable inconvenience owing to the mountain roads being deep in snow. He travelled on horseback with an escort of two zaptiehs, and wore the ordinary civilian travelling cloak and hood, so that his identity was concealed from outward view. The first thing he did on arriving at each village was to enquire of the soldiers stationed there, or of their officer, whether there were any brigands or bad characters about, and whether there had been any trouble with the Armenians. The answer returned was invariably the same: "Thanks to God, all is quiet, there is nothing wrong." This, as Mgr. Nerses remarked to me, sufficed of itself to refute the reports received by the vali from the Zeitoun authorities to the effect that the Armenian villages were full of rebel, and of deserters turned highwaymen. In the Zeitoun barracks outside, but dominating the town, there are now 1,200 soldiers, with two heavy guns (probably field-guns) and several mountain guns.

The Armenians at Zeitoun are quite quiet, and do not seem to be overawed by the presence of the soldiers and their guns. The news, however, of the amnesty to be granted to deserters came as a relief to them, as they hoped that the majority of those deserters would not return to their regiments. But the Murakhass tells me that he doubts whether the amnestied Armenians will return to the colours, or, if they do, whether they will not again desert, unless they are permitted to serve in battalions stationed in the vicinity of Zeitoun, viz., at Marash, Adana, or Elbistan. Thus it is to be feared that trouble may be still pending in the Zeitoun district. Mgr. Nerses has kindly promised me, for transmission to your Excellency, a summary of the report he has sent to the Armenian Patriarch upon the situation in the Zeitoun district. My French colleague informs me that he is far from satisfied with the French vice-consul at Marash in his attitude towards Mgr. Nerses, and the question of Zeitoun.

A few days before the fall of the Ministry, a Provincial Assembly, the members of which were elected by the authorities, met at Aleppo to discuss the question of reforms to be instituted in this vilayet. Only one Christian member was chosen outside Aleppo itself, an Armenian employed as professor in the American College at Aintab. The Assembly was to have been divided into sections to consider the reforms to be introduced in each branch of the Administration. I understand that the Assembly as a whole proposed advocating the nomination of European inspectors or advisers, with wide powers, to supervise reorganisation and reform in the Administration. Kiamil Pasha's resignation, however, was quickly followed by the resignation of the vali, and the Assembly dispersed. Vefik Bey, however, did not leave at once, as reported in my telegram No. 3 of the 31st January, his departure was postponed by a telegram from the Porte requesting him to retain his position until the arrival of his successor, Ali Munif Bey, ex-Vali of Monastir.

The news of the demonstration at Constantinople resulting in the resignation of Kiamil Pasha and the murder of Nazim Pasha created some expression of disgust among the Moslem notables of Aleppo. In every class the conviction prevails that these constant changes of Ministry and of valis, apart from the question of the incompetence displayed in the conduct of the war in Roumelia, demonstrate the hopelessness of any sound Government being set up, or of any real progress being made. High and low are tired and disgusted at the present state of affairs, and are longing for some foreign Power—above all England—to occupy and administer the country. Even a Portuguese occupation, they say, would be vastly preferable to the present decomposition and decay. They think that, failing a foreign occupation, there must either be complete decentralisation or that the Turks must be driven out of the country. Correspondence to this end is being carried on with Syrian societies in Egypt.

Since the Unionists came into power and the Committee began again to assert itself at Aleppo a feeling of fear has been noticeable among the Arab notables. They deeply distrust the young Turks, whom they consider capable of any crime to further their own ends. The Armenians have been buying arms for some time past, and there is a general feeling that the worst may happen at any time. There has been talk of massacre at Ourfa, where the mutessarif, Ismail Pasha, has to confront the hostility and intrigue of the majority of the Moslem notables, and at Antioch the Armenians were stoned and insulted during their New Year's festival.

Should Constantinople fall into the hands of the allies the gravest complications are to be feared in these regions, apart from any danger of massacre of Christians being fomented by secret machinations of the Committees. And I believe that the superior order recently received prohibiting correspondence by cypher telegrams between the consuls themselves and the consuls and their respective missions, gave rise to much anxiety among all the local Christian Communities, who now feel themselves cut off, as it were, from the certainty of direct and official communication with Europe. And, as I had the honour to telegraph to your Excellency, I believe it to be of vital interest to British subjects at Aleppo, Ourfa, Aintab, Antioch, and elsewhere in the province, and necessary for the personal security of the consuls themselves, that cypher telegraphic communication should be readmitted at the earliest possible date. I believe that foreigners in general in the interior are in greater danger now than at any time during the Armenian massacres.

I have, &c.
B. A. FONTANA.

Enclosure 2 in No. 30.

Vice-Consul Matthews to Sir G. Lowther.

(No. 4.)
Sir, *Adana, January 13, 1913.*

I HAVE the honour to transmit to your Excellency herewith three anonymous letters, marked (A), (B) and (C), which were left at this vice-consulate yesterday morning, also the envelope in which they were enclosed. One is addressed to Sir Edward Grey, another to His Majesty's consul-general at Beirout, and the third is apparently meant for me. They contain a request that "Cilicia" from Adalia to Alexandretta may be occupied by Great Britain.

In my despatch No. 44 of the 12th November last I stated that a satisfactory feature in the situation was that nothing was heard of Armenian secret societies. From their contents one can only infer that these letters emanate from some Armenian society, although I have been unable to obtain any information from Armenian or Turkish sources respecting the aims and activities of such societies. In conversation with me some days ago the manager of the Deutsche Orient Bank mentioned that the local branches of the Tashnaktsutiun, Hinchak, and Troshak committees were determined to bring about the foreign occupation of this district, and that they would not hesitate to provoke a massacre as a means to that end. Owing to the source from which it came I was not, and am not, disposed to attach much weight to Herr Mordtmann's statement.

I have been unable to obtain confirmation of the statement in the letter marked (C) that the gendarmes from Salonica (my despatch No. 3 of the 10th instant) are stirring up the fanaticism of local Moslems by accounts of atrocities in Macedonia.

This manifestation of Armenian activity, as such it undoubtedly is, indicates the desirability of an early conclusion of peace between Turkey and the Balkan States.

Orders have been received by natives of Caesarea (Kaisari) and other districts of the vilayet of Angora resident here, who are liable to service as redifs, ihtiat, and mustahfiz, to proceed to their depôts for enrolment.

I have, &c.
W. D. W. MATTHEWS.

Enclosure 3 in No. 30.

Anonymous Letters received at Vice-Consulate, Adana.

(A.)

(Urgente.)
Honorable Sir Edward Grey, Foreign Office, Londres.

CI-JOINT copie d'une pétition transmise directement à votre consulat général à Beyrouth. Nous prenons la respectueuse liberté de conjurer votre Excellence de l'exaucer au plus tôt.

En effet, la Cilicie se ressent toujours des horribles massacres de 1909, qui, sans

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l'énergie des consuls et des croiseurs, se seraient certainement reproduits ces jours derniers, à la faveur des troubles soulevés par le désarroi de l'Empire turc. L'insécurité est perpétuelle depuis cette année funeste, surtout là, à Deurt-Yol, par exemple, où les chrétiens réussirent, en se défendant, à arrêter les assassins; ceux-ci méditent une revanche inévitable.

A nos portes, à Marache, à Zéitoun, &c., la situation est aussi grave, assure-t-on.

Mais on prépare des réformes! Oui, pour quelques vilayets de l'intérieur, seuls, et pour cinq ans. D'ailleurs, on sait l'aptitude turque à exécuter toutes les innombrables promesses de réformes. De grâce, ne vous y fiez pas cette fois encore aux dépens des malheureuses populations ottomanes déjà trop pressurées et décimées. En paix comme en guerre, dans la victoire comme dans la défaite, le Turc a toujours soif de viol et de sang (*cf.* le "Tablet" et autres publications des derniers mois).

Quittez l'Égypte: aussitôt que restera-t-il de votre œuvre civilisation si longue? Donc nous ne pouvons être sauvés que par l'occupation étrangère.

Que si l'on ne peut s'entendre dans ce but éminemment humanitaire pour le juif et le Turc comme pour le chrétien, du moins (la Russie pénétrant dans les vilayets limitrophes) faites-vous adjuger la Cilicie, qui, mille fois mieux que Chypre, vous mettra à même de surveiller l'Asie Mineure, d'y maintenir l'ordre par cette occupation continentale. Comment a-t-on pu céder en 1878 la Bosnie-Herzégovine à l'Autriche sans aucune raison? Pourquoi ne profiteriez-vous pas de l'heure actuelle pour prendre la Cilicie—prix de vos peines dans les deux conférences des Ambassadeurs et de la paix?

Un deuxième desideratum, c'est l'internationalisation des Détroits et de Constantinople—nœud gordien de la question d'Orient.

Réparez ainsi l'iniquité du Congrès de Berlin et délivrez l'Europe de l'éternel cauchemar. L'islam, rejeté totalement en Asie, ne songera plus de longtemps à de nouveaux massacres. Tant qu'il avait la superbe position du Bosphore, convoitée par tous, l'antagonisme de tous devant cette place unique lui assura l'impunité comme en 1895, comme en 1909, et jusqu'à la guerre en Macédoine. Constantinople internationalisé ou confié à la Grèce ou à quelque autre petit État, c'est du coup arrêter l'expansion slave et allemande, et faciliter ensuite le règlement définitif de la Turquie sans secousse.

L'islam mondial, devant le fait accompli, se résignera avec calme au destin fatal comme après la perte des États balkaniques en 1878, de la Roumélie orientale, de l'Égypte, de la Tunisie, en 1882, et hier encore de la Tripolitaine. L'Angleterre en servant ses intérêts aura ainsi plus contribué que jamais à la paix du monde et du christianisme civilisateur.

On convaincrait la Turquie que Constantinople et les Détroits, par l'internationalisation, deviendraient une barrière entre elle et les Balkans ambitieux.

Pour vous et pour les Puissances qui ont des sujets mahométans un pareil amoindrissement du califat et de l'islam briserait leur fanatisme et vous assurerait la paix avec leur soumission cette fois.

On dit que l'Europe serait heureuse de revoir de nouveaux massacres en Turquie pour y intervenir; il est plus aisé, plus humain, de prévenir le mal que de le guérir. L'histoire ne pourra que faire l'éloge de votre intervention qui éviterait des troubles ultérieurs; mais elle flétrira la politique barbare et révoltante qui aura attendu les massacres pour intervenir.

Le 12 janvier, 1913.

(B.)

(Urgente.)

M. le Consul général d'Angleterre, à Beyrouth,

Le "Temps" annonce que votre Excellence recueille parmi le peuple des adhésions réclamant l'entrée de l'Angleterre en Syrie.

Or, votre amie la France s'en émeut; vous n'ignorez pas ses antiques droits spéciaux dans ces parages, reconnus par le Traité de Berlin.

Aussi le conseil de la Société des Études coloniales et maritimes, le 20 novembre dernier, "Proteste contre vos ambitions," émet le vœu:

"Que dans l'éventualité non désirable où la Syrie cesserait de faire partie de l'Empire ottoman, le Gouvernement français affirme sa volonté bien arrêtée de ne permettre à aucune souveraineté ou protectorat autres que ceux de la France, de se substituer dans cette province à la souveraineté ottomane."

A l'inauguration de la nouvelle Faculté française de Médecin à Beyrouth, le 19 novembre, un docteur arabe n'a point hésité d'affirmer devant le consul français, devant les fonctionnaires turcs, devant un public nombreux des plus variés, que la France ne saurait voir un pays plus attaché à elle que la Syrie.

Enfin hier encore, M. Poincaré déclara au Parlement: "Nous ferons respecter nos intérêts au Liban et en Syrie."

Donc à un moment où chaque nation a besoin de toutes ses forces et de toutes ses alliances, dans le profond malaise où se débat l'Europe, pourquoi susciter une question capable de froisser votre amie et de briser l'entente cordiale?

Nous souhaitons infiniment plus vous voir occuper la Cilicie plutôt que toute autre contrée.

D'abord, vous ne seriez pas en antagonisme avec vos amis d'outre-Manche.

La Cilicie est autrement plus fertile et se trouve défendue par des remparts naturels: mer et montagnes.

Elle assure à votre commerce l'entrée dans les marchés de l'Asie-Mineure d'un côté, et de tout le continent ou plutôt de l'intérieur jusqu'au Golfe Persique par le port d'Alexandrette, de l'autre: double avantage à ravir à votre seule rivale, l'Allemagne, que vous empêcheriez en même temps de prendre pied dans la Méditerranée.

La Cilicie est habitée par des races différentes dont la division entre elles facilite votre Gouvernement. Tandis que la Syrie ne renferme que l'élément arabe, qui tend à se réveiller fort de son nombre et de son glorieux passé.

La Cilicie, peut-on dire, est une province vierge d'influence étrangère, et non comme la Syrie, qu'il faut arracher à l'affection de la France. Dans la grande plaine cilicienne, d'Adalia jusqu'à Alexandrette, tous sans exception seront heureux de se débarrasser de la morgue et de l'exaction allemande, et vous accueilleront à bras ouverts.

Enfin, après nos massacres où pourtant votre consul seul a été blessé, où deux Américains seuls ont été tués délibérément, l'Allemagne, assure-t-on, aurait touché un million d'indemnité. Et vous? Et vos frères d'Amérique? Rien. Puisqu'ils s'interdisent toute action hors de leur continent, leurs droits s'ajoutent aux vôtres. A vous de régler ce compte.

Naturellement, personne ici ne pourra se compromettre en vous donnant sa signature, mais discrètement vous recueillerez tous les suffrages.

M. le Consul général, veuillez prendre en considération cette supplique et étendez enfin sur cette malheureuse Cilicie, qui fut toujours le marchepied des nations, les bienfaits vivificateurs du magnifique libéralisme anglais.

Le 12 janvier, 1913.

(C.)

M. le Consul,

Ci-inclus deux requêtes à votre Foreign Office à Londres et à votre consulat général à Beyrouth.

Vous voudrez bien les faire parvenir en les appuyant. Vous voyez la situation et comment les gendarmes venus des Balkans surexcitent par leurs calomnies le fanatisme de nos populations déjà haineuses, en prétendant que les conquérants ramassent les musulmans dans les mosquées, où ils les brûlent, s'ils ne deviennent chrétiens: purs mensonges!

Que la Cilicie vous doive sa libération avant de nouveaux massacres!

Adana, le 12 janvier, 1913.

[16926] No. 31.

Sir G. Louther to Sir Edward Grey.—(Received April 14.)

(No. 281.)

Sir, *Constantinople, April 6*, 1913.

I HAVE the honour to enclose in duplicate copies of printed pamphlets in book form marked I, II, and III, setting forth the unredressed grievances of the Armenians from 1908 to 1912, *i.e.*, since the change of régime in Turkey.[a]

[a] Not printed.

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The Armenian element, the betterment of whose conditions was guaranteed by article 61 of the Treaty of Berlin and the Cyprus Convention, was that which welcomed the advent of the new régime with especial enthusiasm, based on the hope that, with the disappearance of what to them was the nightmare of the Hamidian régime, an era of security for life and property was to be inaugurated. The Adana massacres of some 20,000 Armenian victims came as a rude reminder that the change of régime had not meant a change of spirit which they had expected. Despite the fact that the complicity of the "Young Turks" in the Adana events was all but proved, they again determined to let bygones be bygones and endeavoured to work in with the Committee of Union and Progress then in power, and to secure redress for their more glaring grievances. As session of Parliament succeeded session, and years went by while the repeated promises of the Committee failed of execution, they gradually began again to look abroad for support and protection. As reported in previous despatches, the spectacle of their kinsmen in the Caucasus enjoying security and increasing in numbers and wealth made them turn their eyes towards Russia.

Pamphlet No. I deals mainly with the agrarian question. During the massacres of 1895 and 1896 some 200,000 Armenians were killed or forced to emigrate, their lands being seized by the Kurds. With the change of the régime in 1908 most of the emigrants returned and sought restitution of their lands. The authorities promised to give satisfaction, especially in the case of Armenians who held the title deeds to the property claimed by them. Where the Kurds, who had been in possession for nearly fifteen years, refused to evacuate the Government proposed a compromise on the basis of a money compensation, where the settlement on the basis of restitution met with serious difficulties or with threatened resistance by the occupying Kurds. These promises and offers have been frequently made and changed during the last four years, but none have been put into execution, with the results that the returned emigrants have been a constant charge on the resources of the Patriarchate and the Armenian community. The matter might have been settled by an expenditure of from a quarter to half-a-million Turkish liras, and the Armenians have been disappointed to notice that, though the Committee Governments during the last four years have raised and spent over 40,000,000*l.* mainly on armaments, there has always been some inexplicable difficulty in finding the sum required to remove their grievance.

Pamphlet No. II contains copies of official "tahrirs" addressed by the Patriarchate to the Grand Vizier, Minister of the Interior and Minister of Justice and Cults during the last four years. As their perusal will show, they refer to endless cases of depredation, rape, violence, and injustice to which the Armenians are exposed at the hands of the Kurds, and go to prove that, though the new régime has been a slight improvement on the old in the provinces inhabited by the Armenians, it is far from securing to the latter a tolerable form of existence.

Pamphlet III contains amongst others a document of historical interest in the shape of the report on the Adana massacres of April 1909 drawn up by the Committee of Union and Progress deputy Babikian, who was a member of the Parliamentary Commission of enquiry into those events. As will be noticed, he holds Committee agents responsible for the massacres, though for prudential reasons he omits to state what at the time he privately declared to be his conviction, that the massacres were organised by the Committee of Union and Progress to which he was affiliated. He gives the number of victims as 21,000, and dwells on the specially merciless, brutal, and comprehensive nature of these massacres as compared even with those of 1895 and 1896.

I have, &c.
GERARD LOWTHER.

[16738] No. 32.

Sir G. Lowther to Sir Edward Grey.—(Received April 12.)

(No. 283.)
Sir, *Constantinople, April 8, 1913.*

WITH reference to my telegram No. 131 of the 7th ultimo, I have the honour to forward herewith a despatch from His Majesty's consul at Basra relating to the German dredger which has been brought by Messrs. R. Wönckhaus to that port.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 32.

Consul Crow to Sir G. Lowther.

(No. 14.)
Sir, *Basra, March 14, 1913.*

WITH reference to my telegram No. 11 of the 6th instant regarding the German dredger, I have the honour to report that I visited the German depôt at Maghil yesterday. The dredger is a small one, costing £ T. 1,400, and capable of dredging the creeks to a depth of five metres (17 feet.) The weight of the two pontoons which support it is four tons each. The dredger is in course of construction and will be ready shortly.

Mr. Krumpeter, the manager of Messrs. R. Wönckhaus and Co., informed me that they had brought it out as a speculation at the suggestion of the late vali, Hassan Reza Pasha, and it was proposed to sell it outright to the Turks. He said they would prefer to have a contract with the Turkish Government and work the dredger themselves, as the operations would then be properly done and everybody would benefit by them, but he did not think the Turks would agree to this. He understood that the Turks wanted to work it themselves, and intended raising the purchase-money from the landed proprietors and others interested in the dredging of the creeks. He said the whole transaction was of a speculative character; they would test the dredger at Maghil and show the Turks how to work it on the understanding that they purchased it if satisfactory.

I hear from Turkish sources that the commission which has been formed for the purpose expect the Germans to test the machine by dredging the entrance to the Ashar creek, which is silted up with mud, and that they will purchase it if this work is satisfactorily accomplished. I gather, however, that this is more than the Germans are prepared to do in the matter.

I have, &c.
F. E. CROW.

[16845] No. 33.

Euphrates and Tigris Steam Navigation Company to Foreign Office.—(Received April 12.)

(Strictly Confidential.) *3, Salter's Hall Court, Cannon Street, London, April 11, 1913.*
Sir,

IN reply to your letter of the 9th instant, conveying to us the purport of a report received through His Majesty's Ambassador at Constantinople, from His Majesty's consul at Basra, on the subject of the transport of railway material up the Tigris, I am directed by my board to draw your attention to the closing words of your summary, in which it is correctly stated that the three German tugs are to be withdrawn from the service directly the vessels of the société are in a position to take it up. These three tugs were already under construction when we were negotiating with the Bagdad Railway Company and they have, therefore, of course appeared earlier upon the scene. We understand that they will, in future, be used for transhipping cargo at Basra instead of forming the nucleus of a German steamship service on the Tigris.

It is not quite clear from your letter whether you desire to suggest that the report in question bears out the former reports you received from Constantinople to the effect that the société was unable to cope with the work of transporting the material. Of course it cannot cope with the work before its fleet is ready, which will very shortly be the case, as we expect. The statutes, &c., of the société are in your possession and they make it plain that the constitution and financial resources and backing of the société are more than sufficient to enable it to deal with the transport of the railway material. If the Deutsche Bank and ourselves in co-operation are unable to conduct an enterprise of this kind, we must both of us have, indeed, fallen upon evil days.

I have, &c.
FRED. W. PARRY, *Secretary.*

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[16836] No. 34.

Euphrates and Tigris Steam Navigation Company to Foreign Office.—(Received April 12.)

(Strictly Confidential.) 3, *Salter's Hall Court, Cannon Street, London,*
Sir, *April* 11, 1913.

WITH reference to correspondence that has passed between us on the subject of the navigation of the Tigris, I have now the honour to report that we have received a reply from the Deutsche Bank to our recent letter of which we sent you a summary in our letter of the 29th ultimo.

The Deutsche Bank states that in principle the Turkish Government has consented to participate to the extent of one-third in the Railway Transport Company, but that the Turkish Government would prefer to enlarge the scope and objects of this Anglo-German-Turkish Railway Transport Company so as to make it embrace not only the transport of railway material and the vessels of the Société de Transports Fluviaux but also the carrying of general cargo and the vessels both of the Idara Nahrieh and of this Company. The answer of the Turkish Government is described as a "Yes, *but*." They are prepared to come in to the smaller concern but would much prefer the larger. We have no independent confirmation of this.

Before sending a reply to this communication I am directed by my Board to ascertain the wishes of His Majesty's Government. The slate is clean and we are anxious to write nothing upon the slate that may not have the approval of His Majesty's Government.

It may assist His Majesty's Government in coming to a conclusion if we endeavour very briefly to set out the situation as a whole.

The Germans are engaged in constructing the railway from the Mediterranean to Bagdad with the utmost possible expedition and from the two ends. They contemplate concurrent construction from Bagdad to the Persian frontier.

They hold a great quantity of Bagdad Railway bonds which they have not yet succeeded in placing. For this and for political reasons they are anxious to arrive at a settlement with His Majesty's Government which shall be satisfactory to British interests in these countries. The results of the Balkan war confirm them in these desires.

The key of the railroad position, so far as British trade is concerned, is the railway from Bagdad to the Persian frontier, with the extension from Bagdad to the holy places. We believe it to be possible to secure Anglo-German co-operation both in the construction and in the control of this line. If we at the same time strengthen and develop our already strong position on the rivers, we need not fear so much any advantages which may be given to German trade over the railway from the Mediterranean to Bagdad.

We can descry no great anxiety on the part of the Germans to continue the railway from Bagdad to the Persian Gulf. And it would be impossible to fix an alignment for such a railway that would not require to be recast after the country has been developed by irrigation.

It is evident that the Germans are turning their eyes in the direction of the river navigation. They desire a share, though there is ample reason to believe that they would be satisfied with a share which should not be predominant. It would seem to be good policy to give them such a share and to interest them in the navigation.

We cannot see that this would necessitate the absorption of this Company with the consequent disappearance of the British flag. This is a Turkish rather than a German aim. This Company would prefer to remain a British company and this preference has been strengthened by recent happenings in Turkey.

But, if this Company is to remain a British company, it will need the strong support of His Majesty's Government in the direction of the removal of the restrictions at present imposed upon its development.

Assured of such support on the part of His Majesty's Government, we could face a difficult situation with comparative equanimity and we could reply to the Deutsche Bank, with the approval of His Majesty's Government, that, while not averse to participating *equally* with the Deutsche Bank in the immediate creation of an Anglo-German-Turkish Company to absorb the steamers of the Brussels Company for the carriage of railway material and the existing Turkish steamers and greatly to improve the existing river service, we must keep our own Company separate and distinct, agreeing at the same time to an arrangement for a pooling of freights on the basis of the proportion of the

total that this Company and the Turkish Company have respectively been receiving in recent years. In the future as trade increases, we should, under an arrangement of this kind, of course require further facilities in order to enable us to deal with our proportion. Otherwise, we should go to the wall.

We might, of course, alternatively, reply to the Deutsche Bank rejecting their proposition altogether and again urging them to adhere strictly to the agreement in force between us—to get the Turks to come into the Railway Transport Company. But Herr von Gwinner would feel himself crossed and would never tire of impressing upon us that we had lost a most favourable opportunity of securing Turkish co-operation in the realisation of an improved river service.

We have heard privately, though not from the Deutsche Bank, that the Anglo-Belgian group, of which we have spoken on a previous occasion, is continuing its negotiations. We should be obliged if you would kindly enquire of His Majesty's Ambassador in Constantinople whether he can give us any information on this point.

We shall not reply to the Deutsche Bank before hearing from you.

I have, &c.
FRED. W. PARRY, *Secretary.*

[16335] No. 35.

Foreign Office to India Office.

Sir, *Foreign Office, April* 12, 1913.

I AM directed by Secretary Sir Edward Grey to transmit to you herewith draft of a convention respecting railways in Asiatic Turkey left at this Office on the 9th instant by Hakki Pasha, which embodies the proposals of the Turkish Government in reply to those made in the note addressed to the Turkish Ambassador at this Court on the 8th July last.

I am to state that Sir E. Grey would be glad to receive, with as little delay as may be convenient, any observations which the Marquess of Crewe may have to offer on this draft.

I am, &c.
LOUIS MALLET.

[16900] No. 36.

Sir G. Louther to Sir Edward Grey.—(Received April 13.)

(No. 190.)
(Telegraphic.) *Constantinople, April* 13, 1913.

MY despatch No. 238 of 24th March.

Consul-general, Beirout, telegraphs that authorities have closed reformist club and arrested several members of reform committee with a view to their trial by martial law as disturbers of the peace. Considerable excitement prevails, and shops and offices are closed in sign of protest.

Consul-general is endeavouring unofficially to reconcile two parties.

[16928] No. 37.

Sir G. Lowther to Sir Edward Grey.—(Received April 14.)

(No. 285.)
Sir, *Constantinople, April* 9, 1913.

I HAVE the honour to forward herewith a despatch, from His Majesty's consul at Basra reporting the visit of Sheikh Faish-el-Bemiyeh, brother of Sheikh Ghadban of the Beni Lam tribe and his request for British protection and assistance in their differences with the Turkish Government.

I have, &c.
GERARD LOWTHER.

[PUBLIC RECORD OFFICE, LONDON]

Enclosure in No. 37.

Consul Crow to Sir G. Lowther.

(No. 16. Confidential.)

Sir, *Basra, March 15, 1913.*

WITH reference to my telegram No. 12 of the 12th instant, reporting the visit of Sheikh Faleh-el-Benaiyeh, brother of Sheikh Ghadban of the Beni Lam tribe, and his request for British protection and assistance for the Arab tribes from Kut to Kurna in their differences with the Turkish Government over the question of "muqata'as" or Government land contracts, I have the honour to state that the Arab sheikhs represented by Faleh-el-Benaiyeh in this matter are 460 in number and all their adherents.

My visitor, who had disguised himself in the dress of a dervish and was accompanied by one attendant, informed me that the Arab tribes detested the present Turkish Government and intended to revolt. Their programme was to plunder Amara and other places, seize Basra and stop the river navigation, at all events for the Turks. Two months ago Faleh and Ghadban had put to death their uncle Shebib, who had been appointed by the Government as sheikh of the "muqata'as." Since then the Beni Lam had occupied the following "muqata'as" lands and still held them :—

Numeyt, Nehr Sa'ad, Es Sa'adieh, Ali Sherji, Ali Gharoi, El Naghais, Towerij, Souk Jendel and Abu Ghareyo. They were determined not to pay taxes either for these lands or their cattle. They owed the Government at present arrears of taxes valued at 162,000 liras and had already collected that amount from the sheikhs and lease-holders but would not hand over any of it unless the Government agreed to their terms. They had, however, informed the Mutessarif of Amara that if the Government leased them the "muqata'as" for a period of fifteen years, they would pay up 100,000 liras of the amount due, otherwise a revolt would ensue.

He also informed me that he had visited the Montifik sheikhs and found that they hated and detested the Turkish Government as much as they did themselves. He mentioned Ajeymi the son of the late Sadoun Pasha, whom he had met in his encampment at Jebel-el-Hughair, a place distant about three days journey on foot from Basra between Souk-es-Shiyoukh and Zobeir. Ajeymi, he said, had about 9,000 armed horsemen with him besides other Arabs and would certainly attack Basra shortly and revenge himself on Seyyed Talib Bey, whom he considered partly responsible for the betrayal and death of his father Sadoun. He added that Ajeymi would not unite with Seyyed Talib Bey in the general Arab movement for this reason.

Sheikh Faleh stated that he and his brother Ghadban had received a letter from Seyyed Talib Bey some months ago asking for their support and adherence to him as their chief and representative, and suggesting that they should all sign a mazbata to that effect and state that they accepted the leadership of Seyyed Talib Bey and no other. Faleh said that the Beni Lam refused to do this as their aims and objects were different and they preferred to act independently.

As reported in my telegram, Faleh asked the British Government to protect and assist the Arab tribes in their differences with the Turkish Government and enquired whether we could advise the Turks to accede to their demand about leasing the "muqata'as" to them for fifteen years.

His statement and petition appear to me to be of considerable importance. The mere fact of Sheikh Faleh's risking his personal safety alone in Basra in order to see me and talk the matter over frankly, points to the sincerity of the Arab feelings towards ourselves and the implicit faith they place in our friendship. It would not do to alienate them at the present juncture, and I feel that a rebuff or a cold reception might cost us dearly later if their plans materialise, and it is quite possible they may in view of the weakness of the Turkish authorities. I therefore undertook to lay their petition before His Majesty's Government with all reserve, informing him at the same time that I could hold out no hope of a favourable reply and that we could not interfere in the internal affairs of the Turkish Government, with whom we maintained friendly relations. I looked at it from the Arab's point of view as I thought he would understand me better if I said we were guests in Turkey and could not encourage disloyalty to our hosts. He seemed to comprehend this and approved. I also urged him to submit their differences direct to the Turkish authorities either here or at Constantinople.

To this he replied that Kutchuk Said Pasha had been their friend, but he did not know where he was now and they had no one at Constantinople while, as regards the local authorities, direct negotiations were hopeless and had often been tried and failed and they would settle their dispute, if necessary, with the sword. He also remarked

that we had helped Sheikh Mubarek of Koweit to emancipate himself from Turkey and he thought we might possibly find a way of helping the Beni Lam on the Tigris.

I tried to explain the difference in their relative positions and observed that Sheikh Mubarek had to cultivate good relations with the Turks on account of his landed estates in Turkey, as regards which we were powerless to help him. The position of Koweit was geographically distinct from that of the lands occupied by the Beni Lam and I pointed out the obvious objections to our interference in their dispute with the Turkish Government.

The interview was of a perfectly friendly character and Sheikh Faleh said he would remain in the neighbourhood for a while in the hope of getting an answer from the British Government. I dissuaded him from openly taking hast at the consulate with his followers as he proposed to do at first and I hope to avert such a step which would only increase our embarrassment. He borrowed a small sum of money from me to send some telegrams, as he said he had come away without any funds, and I gave it to him—a few rupees. He cannot, of course, expect a favourable answer after what I have told him, but I hope some reply may be sent in acknowledgment of his appeal.

I have, &c.

F. E. CROW.

[16933] No. 38.

Sir G. Lowther to Sir Edward Grey.—(Received April 14.)

(No. 290.)

Sir, *Constantinople, April 9, 1913.*

WITH reference to my despatch No. 252 of the 30th March last, I have the honour to transmit herewith a further report which I have received from the acting vice-consul at the Dardanelles on the unrest prevailing in the outlying parts of his district.

At the same time, I take the opportunity of forwarding copies of a despatch which I have received from His Majesty's consul-general at Smyrna, reporting the distribution of arms by the authorities to many Mahommedans and Jewish Ottoman subjects in the coast districts in that neighbourhood. With regard to this proceeding, I may mention that rumours have reached this embassy to the effect that the same Austrian unofficial agencies which are supposed to have had a hand in the *coup d'état* of the 23rd January last have sent emissaries to stir up trouble in Western Asia Minor. Whatever may be the truth of this report, it is a curious fact that persistent rumours have been in circulation here during the past few days as to serious trouble having occurred at Smyrna. The rumours which were current in a vague form before the 4th April, the date of Mr. Consul-General Barnham's despatch, have now materialised in a sensational and circumstantial account of a serious riot, and the hanging of the Metropolitan.

I have received no news of any disturbance at Smyrna from His Majesty's consul-general, nor has the American warship now stationed there, which is in wireless communication with His Majesty's ship "Zealandia," given any indication of anything exceptional having occurred. It is, therefore, somewhat strange that a member of the Austrian Embassy should have gone out of his way to inform one of my staff that he had seen the text of a wireless message communicated from Smyrna to the German warship "Geier" here, in which the report of the serious disturbances at Smyrna, including that of the hanging of the Metropolitan, was confirmed.

I have, &c.

GERARD LOWTHER.

Enclosure 1 in No. 38.

Acting Vice-Consul Harris to Consul-General Eyres.

(No. 59.)

Sir, *Dardanelles, April 2, 1913.*

I HAVE the honour to inform you that on Monday, the 31st ultimo, I was returning from the Calverts' farm, accompanied by my cavass, and met on the road the Arab cavalry regiment from Diarbekir, reported in my No. 57 of the 31st March. As is the custom of Turkish troops on the march, they were straggling along the road in groups of twenty and thirty. On passing one of these groups an Arab soldier

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shook his sword at me in a very threatening manner. I thought it best not to expostulate with him on the spot, so rode on and met the officers of the regiment half a-mile further on. I told them what had happened, and a binbashi returned with me and beat the offender on the head with his riding whip. I have since been told that he was bastinadoed on arrival at their camping place.

Mr. Calvert tells me the people in his district are getting out of hand; it is openly said that, should Constantinople fall into the enemy's hands, the Holy banner will be raised in Asia Minor and extermination of all Christians will be the order of the day.

I have lent Mr. Calvert a consular flag, but the gendarme on his farm says, "in case of trouble it would not be worth 5 paras; you should put up the Turkish flag, for, after all, this is Turkish 'toprak.'"

It is perhaps unwise for the Calverts to remain in such an exposed position, but they do not want to move, as the farm requires supervision. I have therefore written to Fauri Pasha, the commander-in-chief in this district, impressing on him the necessity of giving special orders that the Calverts should not be molested in any way.

Personally, I do not believe in the likelihood of any disturbances, but have brought the foregoing to your notice to show that there is a certain amount of unrest in the outlying districts.

I have, &c.
M. G. HARRIS.

Enclosure 2 in No. 38.

Consul-General Barnham to Sir G. Lowther.

(No. 22.)
Sir, *Smyrna, April 4*, 1913.

I HAVE the honour to report to your Excellency that arms have recently been distributed to a considerable number of the Mahommedan and Jewish subjects of the Porte in such districts as Tourbali, Sokia, Menemen, Phokia, and Magnesia, all of which are in comparative proximity to the sea.

This information is obtained from various private sources up-country, and has further been confidentially confirmed by the Metropolitan of the Orthodox community here.

My informants stated that arms were distributed to most Moslem and Jewish males, whether in the small townships or in the villages, and with the Martinis 100 rounds of ammunition were given out; the rifles and ammunition are kept in their houses by those who have received them.

As the past history of what has at times happened in Turkey when arms have been distributed to the Moslem section of the population justified the alarm and anxiety shown by the Christian population in those parts, I asked the Governor-General with what intention this one-sided distribution had been made.

His reply was that "the military authorities had received instructions at the beginning of the war to enrol volunteers for active service; that these instructions were remembered again when the recent rumour of attack by the Greek fleet was impending, and that, consequently, volunteers in all coast districts were now being drilled; their rifles were kept in the depôts, and no Greeks were enrolled, as none came forward; further, no ammunition had been distributed."

The Metropolitan's and my own information contradicts the above and concurs in the facts that the arms are taken home, that Greeks who asked for arms received no reply, and that ammunition also has been distributed.

The Metropolitan of Ephesus called on the vali on the 2nd and laid the same facts before him.

I pointed out to the vali the great unwisdom of leaving arms in the hands of villagers, and urged him to see the danger he laid himself open to if he armed other than properly enrolled soldiers.

I have, &c.
(For the Consul-General),
C. E. HEATHCOTE-SMITH.

[17399] No. 39.

Sir G. Lowther to Sir Edward Grey.—(Received April 16.)

(No. 297.)
Sir, *Constantinople, April 9*, 1913.

I HAVE the honour to report the appointment of Alaeddin Bey as Vali of Basra. He is a Syrian Arab and the son of Deroin-zadeh, a notable of Homs. He became a protégé of Hussein Hilmi Pasha when the latter was Secretary-General of the Vilayet of Smyrna and accompanied him to Ma'an when Hussein Hilmi was made Mutessarif of that district. He followed the Pasha when the latter became Vali of the Yemen, where Alaeddin Bey was Kaimakam of Ibb and subsequently of Bajil, then Secretary-General of the Yemen Vilayet and finally Mutessarif of Taiz in 1902, *i.e.* during the Aden Hinterland delimitation.

After the change of régime in 1908, Alaeddin Bey was appointed Mutessarif of Prishtina in Turkey in Europe and subsequently promoted as Vali of Sivas in Asia Minor.

He has a reputation of honesty and is considered a good official.

I have, &c.
GERARD LOWTHER.

[16941] No. 40.

Sir G. Lowther to Sir Edward Grey.—(Received April 14.)

(No. 299.)
Sir, *Constantinople, April 10*, 1913.

WITH reference to my despatch No. 279 of the 5th instant, I have the honour to forward herewith a despatch from His Majesty's consul-general at Aleppo, reporting on the current affairs of his district.

Mr. Fontana has been requested to confine each of his despatches to one subject in future.

I have, &c.
GERARD LOWTHER.

Enclosure 1 in No. 40.

Consul Fontana to Sir G. Lowther.

(No. 17. Confidential.)
Sir, *Aleppo, March 25*, 1913.

I HAVE the honour to refer to my despatch No. 10 of the 5th ultimo, and to submit the following report upon the course of events in this region from that date up to the present moment:—

Ali Munif Bey, the ex-Vali of Monastir, appointed to succeed Vefik Bey as Vali of Aleppo, arrived here recently, and has assumed his duties as Governor-General. He is taciturn and cold in manner, and has created an unfavourable impression among the Moslem notables. I am informed that he is a native of Adana, and belongs to a family of some prominence there, but of doubtful reputation and antecedents. For some time past spies have been employed by the authorities to watch the movements of the Moslem and Christian notables, and the entrance to this consulate has been watched after dark. Moslem notables have intimated their desire to call upon me, but they have not ventured to do so for fear of the consequences. Vefik Bey, having declared his inability, through ill-health, to carry on his duties as vali up to the date of the arrival of Ali Munif Bey, the Mutessarif of Marash was appointed Governor-General *ad interim*. The mutessarif called up and accused certain Arab notables of having applied to this consulate for protection, and for political purposes. The accusation was quite unfounded, and was intended, perhaps, to deter others from any idea they might have of calling on and conversing with me. The commandant, some days ago,

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summoned before him the Moslem head of the quarter where an honorary cavass of this consulate resides, and accused him of having applied, together with 100 other Moslem families, to me, personally, for British protection. This accusation was also absolutely unfounded. I have been asked indirectly whether it would be possible for the consulate to obtain British protection for Moslems desiring it at any price, but I have held out no hopes of such a privilege being granted to individuals.

A small deputation of Moslems of standing waited, I hear, upon the French consul some days ago, to enquire whether French protection could be extended to them, but I am unaware with what result. It seems, however, that the French consulate is active in fostering any desire that may exist among a section of the local Mohammedans and among the Catholics for a French occupation of Syria. But the very great majority of the Moslems desire that England should take over the administration of the country, and the Christians, including even the Catholics, declare that they could wish for nothing better. I have studiously avoided, however, any language calculated to inspire hope, locally, of such desires being fulfilled at the present time.

Père Michel Akras, brother of Mr. Alexander Akras, dragoman-clerk of this consulate, was some days ago appointed Maronite Archbishop of Aleppo. My French colleague, M. Laporte, a distinguished consular representative and an excellent colleague, was desirous of the appointment of a candidate outside this district, and his efforts in that direction were supported by a notable of the Maronite community. It appeared to me that the question of Père Michel's candidature was not one in which I could in any way interfere, and I took no action whatever in the matter beyond suggesting to him that he should hold back, which he seems to have done. And his nomination to the archbishopric was somewhat unexpected. Mgr. Akras is a prelate of the most devout life, and belongs to a family holding an excellent private and commercial reputation in this town.

Enclosed are the copies of letters addressed to the acting British vice-consul at Diarbekir by Mr. Andrus, an American missionary at Mardin, and to the Chaldean Bishop of Diarbekir by the Chaldean Bishop of Jezireh. These letters were transmitted to us in a private letter by Mr. Mugherditchian. The former letter indicates that Abdul Rezak Bey, of the Beder Khan family, the leader of the Kurdish revolt upon the frontier, reported in my despatch No. 81 of the 29th December, 1912, is now in Russia, or on the Russian frontier, and is intriguing with the Russian authorities. I learn from another source, which I believe to be well-informed and reliable, that Russian decorations have recently been conferred upon Kurdish chiefs of the Jezireh and frontier districts.

According to a letter addressed to me from Ourfa, it would appear that the Armenians there are fully prepared for emergencies, and are expecting inter-racial disturbances at the conclusion of the war. About ten days ago a quarrel between Armenians and Turks led to firing, lasting for some forty minutes in the Moslem quarter at Ourfa. The affair was hushed up by the authorities, who explained that the Moslems thought that there was an eclipse of the moon!

An unfortunate incident occurred at Aleppo a fortnight ago at the funeral of a young Armenian who had committed suicide. The amrakhass, Mgr. Nersès, objected to the coffin being carried borne high in the air on the palms of the hands, as is customary only among Moslems and Jews, and as was desired by the relatives to additionally honour the dead. Consequently a number of Armenian youths, friends of the deceased, entered the church and carried away the cross from the altar, bearing it through the streets in front of the bier. The bishop, scandalized at this act of insubordination, applied to the authorities for assistance; some soldiers and a gendarme were sent to stop the procession and an affray ensued, in which Armenians, Maronites, Greeks, and Syrians were concerned. Four soldiers received knife wounds and the gendarme's front teeth were knocked out with a stone. Numerous arrests were made and the Christian shops in the market were closed but no further trouble occurred.

There is some scheme under consideration among certain leading Armenians in connection with the mountain fastnesses of which Zeitoun, Elbistan, and Hadjin form the three points of a triangle. In view of the internal condition of Turkey and the possibility of disruption after the war, the Armenians think that Russian intervention in the Armenian provinces is not unlikely, and, in the event of such intervention, that other foreign Powers may be led to intervene elsewhere. So that the opportunity might present itself for a swift armed Armenian occupation of the mountainous strongholds referred to, which, if successful, might lead to the seizure of Adana and the creation of a small Armenian principality with access to the sea. Arms exist, though not yet in sufficient numbers, and military leaders are lacking. But it is thought that

Armenians who have served with distinction with the Bulgarian army in the present war might be induced to organise and lead the projected movement. In a letter dated the 20th instant, Mr. Vice-consul Catoni informed me that a steamer had been cruising for several nights in the Gulf of Alexandretta, with a cargo of arms and ammunition destined to be landed near Deurt-Yol. And although the suspicions of the Turkish authorities seem to have been aroused and the coast line has been watched, bribery may by this time have secured unmolested landing.

For more than a month past Government requisitions on oil, soap, flour, &c., have been made in the various cazas of this vilayet, with the exception of Aleppo. Great discontent has been created, the more so inasmuch as for long past trade has been at a standstill, and the supply of flour and cereals in hand is not large. It seems that the rigour of the requisitions is now being greatly relaxed through fear of armed resistance. When the order for requisition to be enforced was received from Constantinople, the acting vali sent a private telegram to the Porte recommending that the caza of Aleppo should be exempted from requisition, which, he urged, would be likely to bring about disturbances, if not a general uprising. Nevertheless the fear of requisition has induced Moslem subjects of all creeds to make over or sell their stores as a sacrifice to foreign subjects, who have thus made considerable profit. A British subject at Aleppo, a Jew, has gained, it is said, in this way upwards of 1,000*l.* within the space of a few weeks. The situation at Aleppo and in the district in general is not reassuring. There has been a drought for the last month and, unless rain falls abundantly within a few days' time, the wheat and barley crops will be destroyed. Damascus, Hama, and Ourfa are exporting no cereals this year for fear of shortage, and the local stocks of wheat and flour will be exhausted before harvest time in June next, when no harvest may be reaped. Flour has risen to 8½ pesetas the rotoli, *i.e.*, to 50 per cent. above the normal price. Some hundreds of Moslem women made a demonstration at the Government House, clamouring that the municipality should order the reduction of the price in question to 6 pesetas. The municipality has no funds in hand, and is unable to make any provision against the eventuality of a famine.

The Bagdad Railway Company have dismissed over 30 per cent. of the engineers and workmen on the line, and so many hundreds of labourers are without employment. Poverty is daily increasing in the town, and it is feared that, before harvest time sets in, such stores of grain and flour as exist may be pillaged by the mob.

The Bagdad railway line is making but little progress, and the "construction" department has, by special order, stopped work entirely. This department is concerned in the building of the stations, which is thus suspended. About forty engineers (nearly all Germans) have been dismissed, between forty and fifty lawsuits against the Bagdad Railway Company have been instituted by contractors in the local Ottoman Courts, and the local newspapers have criticised and condemned the company in no measured terms. Everywhere I hear the company spoken of with seething contempt even by their own employés. There are rumours of large embezzlement of funds, which are very likely false; but, in any case, money is not forthcoming to finish the Hofhalu works. The line from Aleppo to Jerablus is now practically complete, although some ballasting work has still to be done. Ballasting was discontinued owing to shortage in coal, but the receipt of 500 tons from Egypt has now rendered resumption of the work possible. None of the stations on this line are anywhere near completion. Of the twenty-four stone buildings that are to compose Jerablus station none are finished, and some not yet begun, and the concrete platform of 1 kilom. in length has so far only been planned, nothing more.

There seems to have been enormous waste in building. The two engineers' houses and the hospital at Jerablus have cost 8,000*l.*, although they are built mostly of mere brick and local stone, and will have to be handed over to the Government in a few years' time.

The railway lines are not yet carried all the way across the temporary wooden bridge spanning the Euphrates. The spring floods may very likely carry this bridge away, as it already oscillates with the impact of the current. It has taken about eighteen months to build and has cost upwards of 1,000,000 M. Doubts are expressed as to whether the permanent steel bridge is really to be constructed, although preliminary work on both sides of the river has been started.

On the eastern side of the Euphrates little work is being done. The landowners have not yet been paid for the land expropriated. A certain Ahmed Effendi has, with the help of his labourers, forcibly stopped work on his property pending payment of expropriation money. He has been advanced a sum of £T.300, but he remains obdurate, and the work does not progress. Beyond Zermaun (Ahmed Effendi's

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property) the embankment for the rails is being thrown up, but the work is slow and is constantly interrupted by difficulties with the men, owing to their stipulated wages not being paid. Everywhere the want of funds is being felt. The railway officials seem to think that the line will not be carried farther than the Harran, and will be diverted to Ourfa. But this is probably untrue.

I am informed that the work on the Bagdad Railway in the Taurus, beyond Adana, has, or had till a fortnight ago, completely stopped. Work on the great tunnel at Bakjé is, nevertheless, proceeding slowly, and the branch line between Alexandretta and Toprak-Kaleh is being actively pushed forward, so as to connect Alexandretta with Adana as soon as possible. It seems that the nature of the soil is such as to render railway cutting easy. The construction of the Alexandretta railway station seems also to be proceeding.

I have omitted to mention that the construction of the terminus station of the branch line of the Bagdad Railway at Aleppo, which is not yet complete, has, according to information from a reliable source, already cost close upon 1,000,000*l.*

I have, &c.,
R. A. FONTANA.

P.S. *March* 27.—This morning, six Arab sheikhs of importance at Aleppo came to this office and presented me with the letter bearing many seals (mostly those of persons of standing) herewith enclosed. In the course of conversation they told me that the entire Moslem population of Aleppo, high and low, feel that the state of things is such as to admit of no hope of improvement under the Ottoman Government, either in the near or distant future; that the Moslems were fairly contented under the rule of Abdul Hamid, but that they know those of their faith in Egypt and India enjoy a Government far preferable to his, and that with one common accord they were praying for a British Government of the country, whether similar to that of Egypt or of India. They added that further petitions sealed by the notables representing popular opinion in other towns in this vilayet would be submitted for transmission to His Majesty's Government, and begged that, if the Syrian question were brought before the meeting of Ambassadors at London, their own and similar petitions might be taken into serious consideration, and not be weighed lightly, as expressing the unanimous and earnest desire of the Moslem population of Northern Syria to be placed under British rule.

R. A. F.

Enclosure 2 in No. 40.

Mr. Andrus (American Missionary at Mardin) to the Acting British Vice-Consul at Diarbekir.

(Strictly Confidential.) *March* 8, 1913.

NOW, as to the matter of sons of Bedrkhan Bey I have had a private interview with Kudoor Bey (Abdul Kadir Bey, whom you helped when his case was taken to Diarbekir) since I wrote you on the 17th February. You may know that he had exchanged places with the Bash Katib of Jezireh, and while at Jezireh he got the inside track of these sons of Bedrkhan Bey, and when Hassan Bey came up to see the Mutassarif of Mardin he asked Kudoor Bey to accompany him. Kudoor Bey accordingly resigned his position in the Government, and came up here with Hassan Bey and his retinue. Hearing that Kudoor Bey had come to Mardin I called to see him, and he secretly informed me of the situation as it stood a week ago yesterday (*i.e.*, on Friday, the 28th February, when Hassan Bey started on his return to Jezireh). He has a brother in Mossul, who has held the position of maktebji there. He has recently been made mutessarif and assigned to the sanjak of Tosa in the Yemen (practically exiling him so as to have him out of the way). Hussein Pasha, the elder brother at Jezireh, learning that his brother at Mosul was coming to Jezireh, *en route* to his new post, telegraphed to Hassan Bey to at once return to Jezireh to meet his brother. While here Hassan Bey found out that the mutessarif was planning to arrest him, and so he used the timely arrival of his brother's telegram as an excuse to get out of the city before the Government could lay hands upon him. It was true that he had been planning to go on to Diarbekir to visit the vali, but the tactless move of the Government here altered everything, and Hassan Bey left for Jezireh greatly embittered against the Government because he had done nothing for which he should be arrested.

Then I drew from Kudoor Bey the attitude of the sons of Bedrkhan Bey, in which you will be interested, I know.

One of the brothers has a son, Abdul Rezak, who is the one that is in Russia, and who wishes to be made Prince of Kurdistan and to be recognised as such by the Powers, and by the Kurds. He is looking to Russia for aid to realise his ambition. All his uncles, Bedrkhan's own sons, however, are not in favour of their nephew's plans, nor are they anxious to have dealings with Russia, nor with the Germans. They believe in England, and in her policy. They would like to come to some sort of an understanding with England, and for that reason would like to have a chance to have an interview with an English consul so as to place before him their views of the situation, and their ideas as to how to treat it; and also to get from the consul England's view of the situation, and to learn what help, if any, and what kind of help, England would be likely to lend them in support of their claims. The probabilities are that if Turkey should be broken up in Asia as a consequence of the continuance of the war, these sons of Bedrkhan Bey would be tempted to make an effort to carve out an independent Kurdistan in the mêlée, and they would trust England sooner than either Russia or Germany to back them up. But if the Powers would unitedly agree to guarantee to Turkey the integrity of her provinces in Asia then these sons will still look to England to aid them to come to some definite understanding with the Turkish Government in regard to the necessary reforms for the future Government of Kurdistan, and the necessity for a possible change in the form of the Government in order to secure the execution of the reforms and the establishment of a more stable, and just, and enlightened form of Government over the Kurds.

I have written to Mr. Peet confidentially upon these matters, and intimated that he might interview the English Minister at Constantinople upon the subject. I also suggested that it might be well for the English Ambassador to send you with the English consul located at Mosul (as there is none now at Diarbekir) to pay a secret visit to the sons of Bedrkhan Bey in order to sound them, and also clearly to let them know how far England would be willing and able to go with them in support of their claims.

This matter ought to be dealt with at once so as to forestall any probable action by the nephew of these sons in connection with Russia, or by Germany at the instance of these sons themselves. We here are interested in any move that may be made in this region. Abdul Kadir Bey (our friend Kudoor Bey) has asked my advice about joining with these sons of Bedrkhan Bey (this information is for you only), and I have told him to wait until we hear from this letter and that I sent to Constantinople, when I could better know what advice to give him. They have asked him to join them.

A. N. ANDRUS.

Enclosure 3 in No. 40.

Chaldean Bishop of Jezireh to Chaldean Bishop of Diarbekir.

Monseigneur, *Le 25 février*, 1913.

LES fils de Bedr Khan Bey croient que ces pays montagneux du Kurdistan, sont le partage de la Russie, ce qui, cependant, ne leur plaît pas, parce que, disent-ils, quelle différence y a-t-il entre les Russes et les Ottomans?

A les entendre, ils préféreraient l'Angleterre ou la France; c'est pourquoi ils voudraient pouvoir s'entretenir avec un consul de l'une de ces deux Puissances pour en traiter avec lui.

(Que font-ils ici, les fils de Bedr Khan Bey?) Vous dire la vérité, Monseigneur, nos ennemis nous auraient fait subir les vexations les plus déplorables, n'était leur présence. Ces beys montrent ouvertement de la bienveillance aux chrétiens tant de l'extérieur que de l'intérieur, dont ils recommandent la protection à leurs suites, ce qui les fait détester tant des chefs des montagnards que des notables de la ville. (Que font-ils encore, ces beys, chez nous et à nos environs?) Ils ne font rien contre le Gouvernement, se montrent partisans de réforme et détestent la cruauté et la sauvagerie de nos Kurdes; en outre, loin de s'immiscer aux affaires du Gouvernement, ils achètent, toutes les fois qu'ils en ont l'occasion, des champs et terrains en vue de leur subsistance.

Vous avez dû entendre, comme aussi le bruit en avait couru en d'autres endroits, que des milliers de Kurdes se rassemblaient à Jézireh. Oui, les fils de Bedr Khan Bey

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avaient voulu, avec la connaissance préalable du caïmakan, faire un meeting; mais les neiges en ont empêché la réalisation. Maintenant les beys ont renoncé à leur projet.

On parle beaucoup d'Abdul Rezak Bey; à la fin d'avril, après la fonte des neiges des zones glaciales, le mystère se dévoilera.

Kamil Bey parle très bien le français, et son frère Hassan Bey aussi.

Ce serait bien si un consul de l'une des Puissances ci-dessus mentionnées pouvait se rencontrer avec ces beys.

Enclosure 4 in No. 40.

Arab Notables of Aleppo to Consul Fontana.

M. le Consul, *Alep, le 27 mars*, 1913.

NOUS soussignés avons l'honneur de porter à votre connaissance ce qui suit :—

A cause de la guerre balkanique, qui continue encore et suivant les nouvelles qui nous parviennent d'une très bonne source, nous venons de savoir qu'il y en a parmi les Grandes Puissances qui veulent s'emparer de la Syrie, inclus Alep. Au nom de tous les habitants notables et musulmans de cette ville, nous courons à votre haute protection en nous appuyant sur l'égalité que fait jouir l'Angleterre à tous ses protégés coloniales, tant de la part de la liberté religieuse que de celle de la justice, et désirons par cette requête vous faire savoir que du fond de nos cœurs souhaitons que l'aigle anglaise soit hissée sur nos vilayets, et d'accord avec nos confrères de Damas et de Beyrouth vous assurons qu'avec nos femmes et nos enfants qu'au lieu d'une petite défense de notre part, nous jetterons des cris de joie à sa rencontre et lui réserverons le meilleur accueil.

En terminant, nous vous prions, M. le Consul, d'avoir la bonté d'adresser cette requête à qui de droit.

Veuillez, &c.
(Fifty-six seals.)

[17188] No. 41.

India Office to Foreign Office.—(Received April 14,)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 14th April, 1913, regarding Turkey and the Persian Gulf.

India Office, April 14, 1913.

Enclosure in No. 41.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *April 14, 1913.*

PERSIAN Gulf negotiations.

In reply to your telegram of the 7th instant, it appears to us that Turkey's proposals may on the whole be accepted if the following provises are secured :—

1. That by the autonomy of El Katr a complete renunciation on the part of Turkey of all claims to suzerainty is implied, but that we are at liberty to conclude with the people of El Katr such understandings or agreements as may be necessary for suppressing illicit arms traffic or securing maritime peace.

2. That in consideration of Sheikh of Bahrein waiving claims to island of Zakhmuniya a small monetary compensation is granted to him.

3. That permission is continued to such tribesmen of Bahrein as habitually sojourn on the island for fishing throughout the winter months; and that they shall be subject to no interference or levy of dues in any form.

4. That the islands of Lubainat-as-Salliya and Lubainat-al-Aliya remain in the possession of the Sheikh of Bahrein. As to this, the papers forwarded with Foreign Secretary's letter of the 20th May, 1909, should be seen.

[16966] No. 42.

Sir G. Louther to Sir Edward Grey.—(Received April 14.)

(No. 191.)
(Telegraphic.) R. *Constantinople, April 14, 1913.*

MY immediately preceding telegram of 13th April.

Consul-general at Beirout reports release of arrested persons and improvement in the situation.

[17449] No. 43.

India Office to Foreign Office.—(Received April 15.)

(Secret.)
Sir, *India Office, April 13, 1913.*

IN reply to your letter of the 9th instant, regarding transport on the Tigris and Euphrates Rivers, I am directed by the Secretary of State for India to say that he agrees with the Secretary of State for Foreign Affairs that it will be difficult to prevent Messrs. Lynch from coming to an arrangement with the Bagdad Railway Company as regards the existing concession, but that if His Majesty's Government obtain the three additional ships from the Turkish Government and transfer them to Messrs. Lynch, stringent conditions can presumably be imposed, including the presence of a Government director on the board with a power of veto.

2. But below this difficulty lies the fundamental difficulty that the policy of the Bagdad Railway Company, if they get a footing on the river (whether through Messrs. Wönckhaus or otherwise)—which it will be difficult to prevent—will probably be to undercut Messrs. Lynch by quoting through rates on the railway and German ships. This contingency was foreseen when the whole question was under discussion in June last, and it can apparently only be met by similar measures on our part, i.e., either by direct subsidy, or by an interworking arrangement between Indian railway companies and the steamship companies concerned. The Marquess of Crewe will obtain the views of the Government of India on this subject, but it will necessarily require careful consideration, and an immediate answer is not to be expected.

3. In the meantime I am to suggest that the question of amalgamation should be more closely examined. The parties immediately concerned appear to be the Turkish Government, the Turkish Nahriye Company, and His Majesty's Government (if the view taken in your letter of the 26th March is correct), acting through Messrs. Lynch. No foreign Power or firm has any permanent rights of navigation, but it should be observed that the temporary Société des Transports fluviaux (one-half of whose capital is held by the Bagdad Railway Company, and the other half by Messrs. Lynch), has the right of transporting general merchandise as well as railway material. But this is a right as against Messrs. Lynch, and not as against the Turkish Government.

The Turkish Government are now understood to favour the formation of a single Turkish company, combining all interests, for the navigation of the rivers. But apparently, except for the temporary interest of the Bagdad Railway Company in the Société above mentioned, the sole interests are Turkish and British, and the question suggests itself whether the Turkish Government could not be induced to agree to the formation of a Turkish company, of which half the capital and half the directing board should be British, His Majesty's Government not concerning themselves with the source

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from which the Turkish capital might be obtained. It was held by the Board of Trade that 50 per cent. participation in the railway would suffice to prevent measures hostile to our interests, and the same would presumably apply to the river also.

If this is impracticable, the only alternative form of amalgamation is one in which *bonâ fide* British interests would be in a minority—since Lord Crewe could not regard the National Bank (whose participation has been suggested) as a British concern for the present purpose. But as it has already been agreed that the maintenance of effective river competition is essential, it is difficult to see how His Majesty's Government could acquiesce in such an amalgamation, and the only means they apparently possess of preventing it is their hold over Messrs. Lynch. As regards this, his Lordship is of opinion that it would be too strong a measure, after all that has taken place, for them to assert their rights as the original concessionaire to prevent Messrs. Lynch from entering the combine. On the other hand it appears to him that a one-fourth participation could be of so little value to Messrs. Lynch that they could only contemplate entering on those terms with the intention of being ultimately bought out, and this, in his opinion, His Majesty's Government would be fully entitled to prohibit. If this view is correct, the knowledge that it would be prohibited would probably suffice to prevent Messrs. Lynch from entering, or would at all events induce them to disclose their real position. I am accordingly to suggest that if, after consideration of my letter of the 7th instant, Sir E. Grey is satisfied that His Majesty's Government are on firm ground, Messrs. Lynch should be at once informed of the view which they take of the concession, and told that in no circumstances will the transfer of British interests be permitted.

I am, &c.
T. W. HOLDERNESS.

[17439] No. 44.

Sir G. Lowther to Sir Edward Grey.—(Received April 16.)

(No. 195.)
(Telegraphic.) *Constantinople, April 15, 1913.*

MY telegram No. 182 of 4th April with regard to Mosul.

To-day Vali of Diarbekir telegraphs that soldiers are not needed. Affair much exaggerated. Nor is the Barzan affair serious. He could not come to an agreement with other chiefs and returned home.

[15416] No. 45.

Sir Edward Grey to Sir G. Lowther.

(No. 108.)
Sir, *Foreign Office, April 16, 1913.*

WITH reference to your Excellency's despatch No. 183 of the 3rd ultimo, relative to the construction of the new customs depôt at Bagdad, I transmit to you herewith copies of correspondence with the India Office and Board of Trade on the subject.*

Your Excellency will observe that these two Departments are of opinion that, in view of the change in the situation as regards the project for a railway south of Bagdad, His Majesty's Government have no longer any motive for suggesting a further postponement of the construction of the depôt and you should inform Sir P. Crawford that this is the view of His Majesty's Government.

I have at the same time to request your Excellency to furnish a report on the point raised in the last paragraph of the Board of Trade's letter of the 3rd instant.

That Department have not yet replied to the enquiry contained in the letter from this Office of the 25th ultimo.

I am, &c.
E. GREY.

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* Part IX, Nos. 146, 147, 156, and 162; and No. 10.

[17709] No. 46.

India Office to Foreign Office.—(Received April 17.)

Sir, *India Office, April 16, 1913.*

WITH reference to Sir Thomas Holderness's letter to Sir Louis Mallet, dated the 3rd December last, regarding a proposal made by the Anglo-Persian Oil Company to supply oil fuel for use on Indian railways, I am directed by the Secretary of State for India in Council to forward, for the information of the Secretary of State for Foreign Affairs, a copy of a letter (with enclosures) that has been received from the Government of India on the subject.

A copy of the Government of India's letter has also been sent to the Admiralty for the information of the Lords Commissioners.

I am, &c.
LIONEL ABRAHAMS.

Enclosure 1 in No. 46.

Government of India to the Marquess of Crewe.

My Lord Marquess, *Delhi, March 14, 1913.*

WE have the honour to acknowledge the receipt of your Lordship's despatch dated the 10th January, 1913, forwarding a copy of correspondence between the India Office and the Admiralty, with reference to a proposal made by the Anglo-Persian Oil Company (Limited), for the use of oil fuel on the railways of India, and requesting to be furnished with the views of the Government of India on the proposal made by the company.

2. With reference thereto, we forward herewith, for your Lordship's information, a report by the Railway Board on the possibility of adopting oil fuel in part replacement of sea-borne Indian coal on railways serving the west and north-west of India, together with a copy of the general instructions which they issued on the 14th January last for a thorough trial of oil fuel on the Kurrachee–Kotri section of the North-Western Railway.

3. After the conclusion of the trial referred to above, which will be conducted for a period of twelve months, your Lordship will be furnished with a copy of the report on the results arrived at.

We have, &c.
HARDINGE OF PENSHURST.
O'MOORE CREAGH.
G. FLEETWOOD WILSON.
R. W. CARLYLE.
HARCOURT BUTLER.
S. A. IMAM.
W. H. CLARK.
R. H. CRADDOCK.

Enclosure 2 in No. 46.

Report by the Railway Board.

THE Railway Board have had some correspondence (of which copies are enclosed Enclosures 4 to 6), with the Anglo-Persian Oil Company regarding the possibilities of oil fuel in part replacement of sea-borne Indian coal on railways serving the west and north-west of India. They have decided to carry out a thorough trial of the Anglo-Persian Oil Company's product on the Kurrachee–Kotri section of the North-Western Railway, and printed instructions, under which this trial is to be made, have been issued, and copies have been supplied to the Anglo-Persian Oil Company. These instructions, a copy of which is annexed to this report, clearly define the scope of the

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trials, and the measures to be taken to secure complete and reliable information on e ve operating detail of which it is practicable to take cognisance.

Until these trials have been carried out, the Board are not in a position to say whether oil fuel can, with advantage, be used on the railways in the west and north-west of India or not.

T. R. WYNNE, *President.*
W. H. WOOD, *Member.*
S. FINNEY, *Member.*

Simla, January 29, 1913.

Enclosure 3 in No. 46.

General Instructions for the proposed trial of Fuel Oil on the Kurrachee-Kotri Section of the North-Western Railway.

Object of Trial.—The purpose of the trial will be to ascertain, as closely as may be practicable, the actual cost of working with fuel-oil as compared with coal, taking account of all cognizable sources of expenditure that may be influenced by the nature of the one fuel or of the other.

In order to ensure that expenditure shall be correctly charged against the engines employed on the trials, it will be necessary to maintain separate accounts during the progress of the experiments. The purpose of this note, therefore, is to indicate—

1. The scope of the trial.
2. The preliminary work necessary before the trial is started.
3. The lines upon which it is desirable that the trial should be conducted; and
4. The manner in which the various items of loss or savings should be taken account of, in order that the conclusion of the trial may leave us with the data necessary for an accurate estimate of the relative costs of operation with coal and fuel-oil under actual service conditions.

Scope of the Trial.—As regards the scope of the trial, it is proposed to fit six engines for oil-burning, and run them for a period of twelve months against six coal-burners; 5,000 or 6,000 tons of oil will be used in the twelve months' competitive trial of oil against coal. In addition to this quantity, 1,000 to 1,500 tons of oil will be required for preliminary work.

The trials will thus be divided into two distinct phases. The first phase will consist purely in preliminary work, including the training of all the crews, and the selection and adjustment of burners, heaters, fire-box, and front-end arrangements. The cost of all this preliminary work, constituting the first phase of the experiments, is to be strictly excluded from the accounts which are to be maintained for the purposes of the actual twelve months' trial of oil against coal, which will constitute the second phase of the experiments. This second phase is to commence only when the men have been well trained and the burners, &c., finally selected, and the date upon which each phase of the experiments is entered upon is to be noted.

First Phase.

Preliminary Work.—The twelve months' trial will be preceded by a period devoted to—

1. The training of seven or eight crews (to allow for casualties).
2. The selection of the type of burner and fire-box arrangement to give the best results with the oil under trial (Persian); and
3. The adjustment and tuning-up of the engines, including valve-setting, adjustment of front-ends, burners, heaters, &c.

In the preliminary trials two or more burners may be tried, but at least one of the trial burners should be of the American "trough" pattern, either the "Best," Baldwin, Booth, or other established design. Two different fire-box arrangements should be tried: forward throw with arch, and backward throw without arch. This refers to the preliminary trials. The final selection of the system, burner, fire-box arrangement,

mode of air admission, and other significant details, for the purposes of the actual twelve months' bulk trial of oil against coal, which should be run with one, or at most two, types of burner and firebox arrangement, shall be made by the suppliers of the fuel-oil or by their duly constituted representative, according to the experience gained in the preliminary trials.

Conditions of Engines to be Noted.—Newly-received engines will be put on to these trials, but it is neither essential nor desirable that the engines should go straight on to the trials from the erecting shop. A few months' running will render them free, and show up any mechanical defects, which can then be put right before the actual trials commence. Immediately before the commencement of the training period, and again just before the commencement of the twelve month's trial, a very thorough inspection is to be made of each engine, and a complete record made of the result, especially with reference to fire-boxes and tubes, stay and rivet-heads, and seams. A similar inspection should be carried out, and report framed on the conclusion of each phase of the trials.

Front-Ends.—The front-end arrangements of the whole link, both coal and oil burners, should be carefully adjusted for each engine, individually, prior to the commencement of the twelve months' trial, and not altered or interfered with during the course of the trial. Only the blast-pipes should be taken down and burnt out once or twice during the trials, and carefully re-set. Blast-nozzles will be inspected periodically and cleared when necessary, as usual.

In the preliminary adjustments of the oil-burners' front-ends, the course adopted should be, first to find the front-end arrangement and proportions that will give the most intense draught in the fire-box with a given diameter of blast-nozzle, and then gradually to enlarge the blast-nozzle to the maximum diameter that will suffice to give the requisite draught. A similar course may be adopted for the coal-burners if their steaming qualities are not satisfactory in the first instance; but in all cases the adjustments should be effected prior to the commencement of the twelve months' trial.

Training of Crews.—A thorough preliminary training of the crews is essential. Oil-burning requires vigilance and intelligence. The men must become accustomed to the symptoms of defects in oil-burners as they are accustomed to recognise the symptoms of an unhealthy coal fire. This condition calls for experience which, if the trials are to be of any value whatever, must, as far as possible, be acquired prior to the trials, and not left to be gathered during their progress.

The actual physical effort is considerably less with oil-firing than with coal; yet the conditions for oil-burning are in one sense more onerous, because finer adjustments and closer attention are necessary than with coal, and it is imperative that the fireman and driver should work in with each other, and that every alteration in the steam regulation should be matched by an equivalent adjustment of the oil-feed. The crews must be habituated to a certain procedure just as a new fireman has to be habituated to systematic coal-firing, and this should be the first stage of the training. The second stage should consist in the building-up of experience mainly with regard to feed regulation and air supply. A locomotive inspector should be trained, and enough crews, if possible, to provide against casualties such as normally occur in service.

Presence of an Expert.—The oil company will be required to provide an oil-burning expert to look after the engines and crews during at least the preliminary period of training, and during the whole period of the trials at their option. At the same time a locomotive inspector will be placed on special duty for the purposes of the trials.

Second Phase.

Conditions of the Trial—Service.—The trial engines should be employed on mail and passenger service, in preference to freight. The reasons for this are:—

1. Constant loads and speeds, and
2. The best engine crews are available on the passenger services.

Oil.—The oil to be 200° flash point throughout the trials. Specific gravity to be noted as received.

Temperature allowance for volume to be made on receiving and issuing.

Storage.—The question of storage will be settled in consultation with the suppliers.

Storage of Coal.—Coal-burning engines employed on the trials should be fuelled from a special stock, but in all other respects fuelled exactly as under service conditions. The coal should not be put up in weighed bags, but issued and accounted for by

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measurement as in regular service working. Except that it will be reserved strictly for the trial engines, the stack will be an ordinary service stack.

Accounting.—Excluding interest charges on first equipment in both cases, the total costs involved in the use of fuel include.

For coal—	For oil—
1. Cost at port	Cost at port.
2. Haulage to depôts	Haulage to depôts.
3.—(*a.*) Unloading	Pumping into tanks.
(*b.*) Stacking	..
4. Fuelling engines	Fuelling engines.
5. Lighting up	..
6. Ash-pit coolies	..
7.—(*a.*) Leakage	(Doubtful).
(*b.*) Deterioration	..
8. Consumption on engines	Consumption on engines.
9. Wages of crews	Wages of crews.
10. Maintenance (boilers and necessories) ..	Maintenance (boilers and accessories).

The manner in which expenditure is incurred under these heads differs slightly with the two fuels, and this must be provided for in the method adopted for accounting the actual cost of operation.

Cost at Port.—In the case of coal, the price is paid on delivery into wagons at Kiamari.

In the case of oil, we should know, separately :—

1. Cost of oil c.i.f. at Kiamari.
2. Cost and method of transferring the oil from ship to tanks at Kiamari (port).
3. Cost and method of transferring from Kiamari tanks to railway tank wagons.
4. Charges for haulage from Kiamari to the running shed at Kurrachee cantonment.

When framing the final basis for comparisons, the difference must be allowed for between the cost of working the temporary expedients, adopted merely for the period of the trials, and the probable cost of working an efficient permanent installation in the event of the subsequent adoption of fuel-oil in part or whole replacement of sea-borne coal.

Haulage to up-country Depôts.—Haulage of coal and oil respectively to up-country locomotive stations need not be considered until the general results of the experiments on the Kurrachee–Kotri section are known.

Terminal Charges—Unloading and Stacking.—For coal, the cost of unloading and stacking will be the actual cost according to the staff normally employed, or the contract rate if done on contract.

Transferring Oil into Storage Tanks.—For oil, during the trials, it will probably be found best, as a temporary measure, to fuel engines direct from tank wagons. In any case no separate charge can well be entered for this, as, if an efficient permanent installation be arranged, the oil would probably be fed by gravity through pipe-line from high service tanks at Kiamari, and the only charge admissible would then be that due to maintenance of the pipe-line.

Fuelling Engines—Charges.—For coal, actuals according to staff normally employed.

For oil, labour nil ; as firemen will take oil as they take water. Supervision (fuel munshi) is a standing charge in both cases.

Lighting-up.—Coal-burners (1) may be lit up with wood, exact account being kept of wood so used ; or (2) may be lit-up from the lighting-up furnace, the coal-stack in use for the trial engines being debited *pro rata* according to the number of engines on the trial, and the total fuel actually used in the lighting-up furnace.*

Oil-burners, unless a combined oil and coal-burning system be on trial, will be debited with no fuel for lighting-up purposes. If starting up a cold boiler, steam may be taken either from an oil-burning engine in steam, an incoming coal-burner, or the shed washing-out boiler. The atomiser can be worked from its own boiler as soon as the latter has 20 or 30 lbs. of steam.

Shed Labour.—The services of the shed-fitting staff and boiler-makers constitute a standing charge and need not be booked separately.

The same applies to lighters-up, though in a large shed of oil-burners perhaps a smaller staff would suffice than with coal-burners. This, however, can if necessary be considered after the trial.

* This is not usually accounted for separately ; each engine is debited with a nominal amount for "lighting-up." But during the period of the trial the actual quantity of coal and wood used in lighting-up furnaces at each terminal should be recorded.

Ash-pit coolies are necessary for coal. Their cost should be averaged out per ton of all the coal used on the section.

Against this, there may be a credit afforded for sale of cinders. The cost of cinder picking and credit due to sale of cinders should be booked separately. Averages should also be struck from the actuals of several sheds. No cinders are to be won from yard formation or banks during the period of trial.

Consumption on Engines.—The consumption should be reckoned on book balances in both cases. At the same time book balances should be compared with actual surveyed balances, and both the figures recorded. The total consumption, then, in both cases (oil and coal) will be equal to total fuel entered on books as unloaded from time to time into storage tanks (or as received in tank wagons) or stack, as the case may be, plus quantities in tanks or stack at commencement of the twelve months' trial, minus measured or weighed* quantities remaining in tank or stack at the conclusion of the twelve months' trial.

Leakage and deterioration, though not separately taken account of, will, if the trial be conducted as described above, automatically be accounted for as part of the actual consumption.

Wages.—Wages of crews should be averaged separately for drivers, firemen, and khalasis, for the whole link in terms per engine-mile.

Material, upkeep.—Separate accounts should be opened for the trial engines, both for coal and for oil-burners, apart from other engines using the sheds between which the engines run.

For coal-burners ; account should be kept of actual material used for repairs and renewals of shovels and fire-irons, grate bars and rocking gear, brick arches, tender fencing, &c., ash-pans, firebox, stays and tubes.

For oil-burners ; actual material used for repairs and renewals of brick work, burners, oil connections, heaters, firebox, stays and tubes, &c.

The fire clay and cementing material used for brick linings and arches should be thoroughly tested for suitability and durability prior to the trials.

If the cost of suitable fire clay for oil-burners is higher than is usual for the brick arches of coal-burners, the extra rate is to be noted and taken into account in reckoning the maintenance charges.

Precautions.—Certain precautions must be noted. No man should be permitted to approach an open man-hole of an oil tank with a light, nearer than about 10 feet. If work is to be done on a tank no one should be allowed to enter it until it has been steamed and washed out, as with some oils the vapour is apt to be poisonous as well as explosive. Tanks in which oil has been stored should therefore first be steamed out, and then washed out with cold water before any one is allowed to enter them.

Enclosure 4 in No. 16.

Anglo-Persian Oil Company to Railway Board.

London, May 30, 1912.

I AM very much obliged for your letter of the 15th ultimo, and am very pleased to learn that the Railway Board are disposed to favourably consider the adoption of fuel-oil on certain parts of the North-Western Railway if certain conditions can be with.

The conditions in question are :—

1. That absolute regularity of supply be guaranteed.

This we can do, but an essential for this is a sufficiency of tank storage accommodation at Kurrachee the amount of which is dependent upon the quantity for which the North-Western Railway might be prepared to contract, *e.g.*, if the railway company desire to contract for 100,000 tons per annum tankage should be provided for not less than 16,000 tons (say two tanks of 2,000,000 gallons capacity each).

So far we are only making provision at Kurrachee for one tank (2,000 tons capacity) to meet the ordinary trade demand for fuel-oil. For railway requirements special tanks would need to be built—either by us or by the railway. Provided that we are assured a sufficiently large contract, extending over several years, we are

* Weighing is not done for checking balances ordinarily, but may be done at conclusion of the twelve months' trial if thought desirable for greater accuracy

prepare to build the tanks, but I suggest that it would be more convenient and economical for the railway to build them and keep them under their own control.

I would suggest the adoption of fuel oil on the North-Western Railway should be gradual, and that to start with the contract would be for say 50,000 tons per annum. Later on, if its use were found to be economical (as would no doubt be the case), the quantity could be gradually augmented year by year. This would give time for (1) such extensions of our refineries as may be necessary, (2) conversion of locomotives, and (3) the building of such tank wagons and small up-country storage tanks as might be necessary with a more extended adoption of fuel-oil on the North-Western system.

2. That the supplies be of uniform specification.

This can be guaranteed, once the specification has been agreed.
We purpose producing two qualities, viz.:—

(1.) 150° fuel-oil.
(2.) 200° fuel-oil.

The former is the quality which is now accepted by practically all large fuel-oil consumers with the exception of the Admiralty, but even the Admiralty are, I understand, now considering the adoption of this quality. For railway purposes the 150° quality is the one in general use in all parts of the world.

I would suggest that we should be allowed to ship a sample lot of each quality to Kurrachee as soon as possible for experimental purposes.

3. That a price be quoted which should be in operation for say not less than five years, the price being based on a minimum supply with liberty to increase it up to a maximum figure.

The nearest prices we can indicate at this stage are—

30 rupees per ton ex ship Kurrachee for 150° quality.
35 rupees per ton ex ship Kurrachee for 200° quality.

and 5 rupees per ton more ex tanks Kurrachee if the tanks are erected by us. These prices are exclusive of duty for which, if payable, it will be necessary to add 5 per cent.

We should be willing to contract at these prices for a period of five years, for a quantity of 30,000 to 50,000 tons per annum, with liberty to the railway to increase the quantity by annual augmentations of 50,000 tons up to a maximum of 200,000 tons per annum, on twelve months notice of such increase of quantity.

The contract would, of course, have to be subject to the usual *force majeure* clause.

4. To enable the latter to be fixed it would be necessary to state the calorific value of the oil which would be supplied, and whether it would be crude oil or residuum.

The oil we would supply would not be crude, nor would it be correctly described as residuum. The latter is a term which is more usually used to describe the residue left after all the lighter portions (benzine and kerosene) had been taken off. Our oil would be the crude with only the lightest fractions (benzine) taken off, but with the kerosene left in it, which makes it a more valuable oil than what is commonly known as residuum.

We should, of course, prefer to sell crude oil, as we should thereby be saved the expense of taking off the light fractions, but crude would not be suitable for railway purposes owing to its low flash point.

The calorific values of the above qualities are given by Sir Boverton Redwood as follows:—

150° oil. 10·780 calories per gram = 19,404 Butu.
200° oil. 10·790 calories per gram = 19,422 Butu.*

I am obliged for the information you give regarding the possible adoption of oil-fuel by the railway companies having ports on the western coast of India, and I will

* Which is, he states, about equal to Burma and Texas fuel-oil, but higher than that of Borneo fuel-oil.

address communications to the chairman of the Great Indian Peninsula, and Bombay Baroda companies on the lines of this letter.

With reference to your enquiry as to whether the Burma Railways Company (Limited) cannot be induced to use oil instead of coal I would draw your attention to the reply I have written to a similar question which has come from the Lords Commissioners of the Admiralty. To this I may add that the Burma Oil Company (Limited), have several times been in negotiation with the Burma Railways Company (Limited), for the sale to them of fuel-oil, but owing chiefly to the Burma Oil Company's commitments for fuel-oil to the Admiralty, and to their consequent inability to guarantee sufficient supplies, the Burma Railways Company have, so far, not seen their way to adopting fuel-oil.

Enclosure 5 in No. 46.

Railway Board to Anglo-Persian Oil Company.

Simla, January 14, 1913.

WITH reference to correspondence ending with your letter dated the 30th May, 1912, I am directed to say that the Railway Board have decided to have a thorough trial of the Anglo-Persian Company's oil-fuel made on the Kotri–Kurrachee section of the North-Western Railway.

2. Copies of the general instructions that are being issued to the North-Western Railway for the conduct of the trial, are enclosed for your information. From these instructions the following points will be noted:—

(1.) In all, some 6,000 to 7,500 tons of oil will be required for the purposes of the trials; all of 200° flash point;

(2.) Of this quantity, from 1,000 to 1,500 tons will be required purely for training purposes and selection of the best burners and system to suit Indian engines and conditions prior to the actual twelve months' bulk trial of oil against coal. The trials will thus comprise two phases, the accounting for which will be kept entirely distinct from each other;

(3.) It is proposed in the preliminary trials to try one or more American "trough" burners of approved pattern, as such burners are in very extensive use, and appear to possess the great advantage of simplicity; but the final selection of both burner and system for the purposes of the twelve months' trial, will rest with the Anglo-Persian Oil Company;

(4.) An oil-burning expert it is proposed should be provided by the Anglo-Persian Oil Company; and

(5.) The question of storage during the trials—which are expected to extend over about eighteen months—has to be settled.

I am to enquire, with reference to the rate 35 rupees quoted by the Anglo-Persian Oil Company for the supply of 200° fire test oil at Kurrachee, whether it is actually the intention to charge the railway 5 rupees per ton for ridding the oil of the lighter distillates in order to raise the flash point from 150° to 200°. This enquiry is suggested firstly, by the consideration that the distillates, properly marketed, can hardly be a source of loss to the oil company; and, secondly, by the fact that the extra 5 rupees for raising the fire point plus the further 5 rupees which the oil company propose to charge at Khanuri (*vide* paragraph 3 of their letter dated the 30th May, 1912), raise the cost of the oil to the railway to a price that seems, from all the information that is now before the Railway Board, to place the fuel-oil in an unfavourable position at the outset.

As regards storage during the progress of the trials, the Railway Board would be glad first to have the views of the Anglo-Persian Oil Company.

Enclosure 6 in No. 46.

Anglo-Persian Oil Company to Railway Board.

London, February 7, 1913.

I BEG to acknowlege receipt of your despatch of the 14th ultimo, from which I am pleased to learn that the Railway Board have decided to have a thorough trial of the Anglo-Persian Oil Company's oil-fuel made on the Kotri–Kurrachee section of the North-Western Railway.

I am obliged for the copy of the General Instructions, and with reference to the points to which you draw attention, I have noted—

(1) and (2). That we are to supply the 6,000 to 7,500 tons of 200° oil which will be required for the purposes of the trials, 1,000 to 1,500 tons of this quantity being supplied for the preliminary training, selection of burner, and adjustment purposes, and the balance for a twelve-months' practical trial on six engines to be run against a similar number of coal-burning engines;

(3.) That in the preliminary trials one or more American "trough" burners of approved pattern shall be tested, but that the final selection of burner and system for the purposes of the twelve-months' trial shall rest with us;

(4.) That an oil-burning expert to superintend the preliminary test and the trials shall be supplied by us; which conditions I have much pleasure in confirming.

As regards the question of storage during the trials (5), we shall be pleased to give delivery of all the oil required for the trials from the tank which we are now erecting (shortly to be finished) in the Burma Oil Company's depôt at Kiamari. Therefore it will only be necessary in the meantime for the railway to provide such tank-waggons and small tanks on the railway as may be necessary for the purposes of the trials.

With reference to your enquiry as to the rate quoted for 200° fire test oil, I have to explain that the 150° oil for which I quoted in my letter of the 30th May last was an "intermediate" oil, obtained after taking off about 55 per cent. of the lighter distillates and excluding the heavier fractions, whereas the 200° oil is obtained by taking off only about 30 per cent. of the lighter fractions, *i.e.*, the latter contains a larger proportion of the more valuable products, and is therefore dearer. (This latter oil is the quality described in paragraph (4) of my letter of the 30th May, addressed to Sir Thomas Wynne.)

In this connection, however, I am pleased to say that I am now able to reduce the quotation for the 200° quality to rupees 28 : 12, ex-ship Kurrachee, at which price I have no doubt it will be found to compare favourably with coal when all the relative items of cost are taken into account.

I shall be obliged for information as to when the railway authorities will be in a position to begin the preliminary tests, and would suggest that they should place themselves in communication with the company's sub-agents, Messrs. Shaw, Wallace, and Co., of Kurrachee, who will be able to advise them as to the date when the first cargo of oil to be stored in the tank at Kiamari will arrive, and to make the necessary arrangements as to deliveries.

We are on the look-out for an expert possessing a thorough knowledge of the latest burners and systems of oil-burning in locomotives, and will arrange to send him out to Kurrachee in time for the commencement of the experiments.

[17712] No. 47.

India Office to Foreign Office.—(Received April 17.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Resident in the Persian Gulf, dated the 16th April, 1913, regarding Koweit.

India Office, April 17, 1913.

Enclosure in No. 47.

Lieutenant-Colonel Sir P. Cox to India Office.

(Telegraphic.) *Bushire, April 16, 1913.*

REPORT from doctor, Koweit, dated 14th, states that Sheikh Mubarak dangerously ill with chill and complications, and condition serious. Seems urgent that negotiations affecting Koweit should be concluded in his lifetime.

(Addressed to India and repeated to India Office.)

[16836] No. 48.

Sir Edward Grey to Sir G. Louther.

(No. 112.)

Sir, *Foreign Office, April 17, 1913.*

WITH reference to my despatch No. 100 of the 12th instant, relative to the transport of railway material up the Tigris, I transmit to your Excellency herewith copies of a further letter from the Euphrates and Tigris Steam Navigation Company on the subject* and of the reply which I have caused to be returned to it in so far as its last paragraph is concerned.†

I have to request your Excellency to furnish such information as you may be able to obtain as to the activity of the Anglo-Belgian group referred to.

I am, &c.
E. GREY.

[16836] No. 49.

Foreign Office to India Office.‡

Sir, *Foreign Office, April 17, 1913.*

WITH reference to the letter from this Office of the 9th instant, relative to the transport of railway material up the Tigris, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a further communication from the Euphrates and Tigris Steam Navigation Company on the subject of a proposal stated to have been put forward by the Turkish Government for the formation of an international transport company with largely extended objects.*

It will be observed that this proposal has been brought to the notice of the Navigation Company by the Deutsche Bank, and that the company are unwilling to reply to the latter till the wishes of His Majesty's Government are known, in order that their answer may conform to those wishes.

I am to state that Sir E. Grey would be glad to receive an early expression of the views of the Marquess of Crewe as to the reply which should be returned to the company's communication.

A copy of the reply which has been returned to the company's letter, in so far as its last paragraph has been concerned, is also enclosed.†

I am, &c.
LOUIS MALLET.

[16836] No. 50.

Foreign Office to Euphrates and Tigris Steam Navigation Company.

Sir, *Foreign Office, April 17, 1913.*

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 11th instant, relative to the transport of railway material up the Tigris.

With reference to the last paragraph of that communication, I am to state that His Majesty's Ambassador at Constantinople has been instructed to furnish such information as he may be able to obtain as to activity of the Anglo-Belgian group alluded to.

A further communication will be addressed to you in due course with regard to the points raised in the earlier part of your letter.

I am, &c.
LOUIS MALLET.

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* No. 33. † No. 50.
‡ Also to Board of Trade, *navitatis mutandis*.

PUBLIC RECORD OFFICE [illegible]

[17815] No. 51.

Prince Lichnowsky to Sir Edward Grey.—(Received April 18.)

(Translation.)

German Embassy, April 5, 1913.

Your Excellency,

WITH reference to Sir Louis Mallet's communication of the 17th January last, I have the honour, under instructions from my Government, to transmit herewith the accompanying communication from the firm of Robert Wönckhaus. This document contains a statement of the objections of the firm to the proposals of the British Government for settling the case.

I should be grateful if your Excellency would inform me when the proposed direct negotiations of Mr. R. Wönckhaus with representatives of the British Government should begin.

I have, &c.

LICHNOWSKY.

Enclosure in No. 51.

Memorandum respecting Abu Musa.

(Translation.)

Hamburg, March 10, 1913.

WE beg leave to point out the following objections to the compromise suggested by the British Government for the settlement of the Abu Musa case:—

1. After our former experiences with Sheikh Soker, who claims the right of cancelling at any time and without indicating his reasons, concessions granted by him, we have no confidence that a fresh concession from him would enable the mines to be worked steadily and on a technically sound basis. As regards the transfer of the concession to "suitable persons," the parties concerned—the British Government, the sheikh, and ourselves—are scarcely likely to be able to reach an agreement as to the persons to be considered as "suitable." On the other hand, the fact should be taken into account that, in view of the circumstances of the case, we ourselves have the first claim to consideration in any concession which is granted, since it is we who would have the greatest interest in the mines being worked in a rational way, and since we are in every way competent to carry on the work.

Moreover, the position created by the granting of the concession to a third person would be uncertain from this point of view also; that there would always be the possibility, if not the probability, of conflicts in the future. But who is to be the competent person to settle such differences of view arising in the future, and who is responsible for the damage incurred by the person working the mines for failure to carry out the contracts of delivery?

2. As regards the further proposal that we should be reinstated in our contract rights for a period equal to that during which the contract was interrupted, *i.e.*, for about two years and eight months, it must be observed that such a proposal does not take sufficient account of the present situation of the oxide industry. The preparations extending over several years for carrying on this industry must be regarded as entirely lost, and the work will, for the most part, have to be undertaken anew. Two to three years will elapse before we reach approximately the point at which we were at the time of our forcible ejection from the island of Abu Musa. The further period to be allowed to us would therefore have expired before we could bring large shipments on to the market.

It should further be borne in mind that, if we accept the present compromise, we should not be in a position to guarantee the regular delivery of the oxide to our customers. Every purchaser of oxide would insert in any fresh contract a condition that we should guarantee the regular delivery of the oxide over a considerable period of years. It is precisely the existence of these conditions in the oxide industry which caused us to adopt the prolongation clause in our contract with the mining company.

From the above it will be seen what difficulties we should encounter were we to accept the British proposals. We therefore beg leave to submit the following counter-proposal:—

Sheikh Soker to grant us, under the guarantee of the British and German Governments, a concession for all the oxide mines on the island of Abu Musa for a

period of six years, and on the conditions laid down in the original concession of the mining company. We ourselves to work the mines and to make use of them as we think fit. During this period the concession can on no account be withdrawn. Sheikh Soker shall further be obliged, after the expiration of the first six years of the concession, to renew it for a further period of six years on the same conditions, if no other applicant is forthcoming. Should there be any other applicant, we are to be entitled to tender with him.

The British Government have expressed the wish to be furnished with a complete and detailed statement of our claims for damages. The direct losses which we have sustained through the interruption of the work on Abu Musa are as follows:—

(1.) Our advances to the mining company, and the value of the deposits on the island which have been either destroyed or removed, 13,106 M.

(2.) The damage sustained through the "Louise." The value of this shipment can be proved, by comparison with the "Stolzenfels" shipment, to have been, at the lowest estimate, 20 M. per 1,000 kilog. Of this we still have about 469 tons lying unused; we only very rarely succeed in selling small quantities of this, since the oxide has been rendered useless for nearly all industries by the presence of salt deposit and fine sand.

In addition we should be compensated for storage expenses, the interest thereon, and insurance expenses. It is well known that the quality of the "Louise" shipment suffered from the oxide having been left lying unprotected for a period of fully six months, after the interruption of work, close to the shore to which it was being taken for shipment. Sandstorms and spray and exposure to the weather must greatly affect the quality of oxide, because, firstly, the colour became darker; and, secondly, the colouring properties of the oxide had considerably diminished owing to the action of salt, sand, and weather. The damage under this head can be proved to amount to 78,506 M. 31 pf.

We endeavoured at the time to induce the sheikh to allow at least a few of our people to remain on the island in order to protect the oxide from deterioration by covering over with planks the quantity which had been carried to the shore for shipment; our request was, however, not granted.

(3.) A lump sum to cover the cost of putting the mines again into a state of repair. We estimate that a sum of 30,000 M. will be necessary for this. We cannot furnish documentary evidence in regard to this amount. On our making enquiries of our local representative in regard to the amount necessary for the repair of the mines, the above sum was indicated to us as being absolutely necessary.

(4.) A suitable compensation for the employés of the firm (two Europeans and ten natives) for the serious danger to which they were exposed by the firing on Abu Musa, M.

(5.) Suitable compensation should also be paid in respect of the general damage sustained by our firm through the interruption of mining operations. The interruption of the industry and the resulting failure to deliver the oxide was a shock to our whole business, since our reputation suffered heavily, not only in the Persian Gulf but also in Europe; this involves a diminution of the vital power of our enterprise, and means an actual monetary loss.

It would be better to reserve more detailed statements in regard to points 4 and 5 for verbal discussion.

Should the British Government not be disposed to agree to a prolongation of the contract for periods of six or twelve years as the case may be, we would be prepared to renounce our claims in this respect on payment of suitable compensation.

(Signed) ROBERT WÖNCKHAUS AND Co.

To the Foreign Office, Berlin.

PUBLIC RECORD OFFICE DOCUMENT

[17797] No. 52.

India Office to Foreign Office.—(Received April 18.)

Sir, *India Office, April 17, 1913.*

IN forwarding the enclosed copies of telegrams exchanged with the Government of India, I am directed by the Secretary of State for India to say that, though he fears that the recognition of Turkish jurisdiction over the island of Zakhmuniya and the coast between Ojair and a point opposite that island may lead to some friction in the future, he is prepared to agree to this concession, on the conditions recommended by the Government of India, provided that a thoroughly satisfactory agreement is reached with the Turkish Government on all other points.

A copy of the correspondence referred to in the telegram of the 14th instant was sent to your department on the 9th June, 1909.

I am, &c.
T. W. HOLDERNESS.

Enclosure 1 in No. 52.

The Marquess of Crewe to Government of India.

(Telegraphic.) P. *India Office, April 7, 1913.*

NEGOTIATIONS with Turkey as to Persian Gulf.

Provided that El Katr remains autonomous and that Bahrein does not annex it, the Turkish Government have expressed their willingness to withdraw entirely from it. They request that their jurisdiction on the mainland may be extended to a point opposite the island of Zakhmuniya, which is to be included. I desire to receive your views at the earliest possible date by telegraph.

Enclosure 2 in No. 52.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *April 14, 1913.*

PERSIAN Gulf negotiations.

In reply to your telegram of the 7th instant, it appears to us that Turkey's proposals may, on the whole, be accepted if the following provisos are secured:—

1. That, by the autonomy of El Katr, a complete renunciation on the part of Turkey of all claims to suzerainty is implied, but that we are at liberty to conclude with the people of El Katr such understandings or agreements as may be necessary for suppressing illicit arms traffic or securing maritime peace.

2. That, in consideration of Sheikh of Bahrein waiving claims to island of Zakhmuniya, a small monetary compensation is granted to him.

3. That permission is continued to such tribesmen of Bahrein as habitually sojourn on the island, for fishing, throughout the winter months, and that they shall be subject to no interference or levy of dues in any form.

4. That the islands of Lubainat-as-Safliya and Lubainat-al-Aliya remain in the possession of the Sheikh of Bahrein. As to this, the papers forwarded with Foreign Secretary's letter of the 20th May, 1909, should be seen.

Enclosure 3 in No. 52.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *April 15, 1913.*

PERSIAN Gulf negotiations.

In continuation of my telegram of yesterday, the Resident, Persian Gulf, in reply to a reference as to what, under the second proviso, might be necessary by way of

monetary compensation, has suggested a sum of 1,000*l.* He adds that it might possibly be more agreeable to the sheikh graciously to hand over the island to the Turks as a gift, and that they, in their turn, might make some suitable presentation to him. A good motor launch, costing approximately the above-named sum, is suggested.

[17800] No. 53.

India Office to Foreign Office.—(Received April 18.)

Sir, *India Office, April 17, 1913.*

IN reply to your letter of the 12th instant, I am directed by the Secretary of State for India to say that the draft agreement respecting railways in Asiatic Turkey proposed by the Sublime Porte appears to him to be merely an elaboration of article 4 of the British draft, and to leave the rest, and most important part, of the ground uncovered. Moreover, so far as it is an elaboration, it seems to be to the detriment of British interests, since it postulates an identity of conditions which could hardly be attained, and certainly not proved, in practice.

He cannot therefore recommend that it be accepted as a whole. But he observes that the British draft contains no provision to protect goods imported or exported partly by rail and partly by river; and, as a cover for introducing such a provision, he would suggest that paragraph 2 of the Turkish draft might be accepted with the addition of words to the effect that import and export rates should be applicable to goods imported or exported partly by river and partly by rail.

I am, &c.
T. W. HOLDERNESS.

[17820] No. 54.

Declaration communicated by Hakki Pasha to Sir A. Hirtzel.—(Communicated to Foreign Office, April 18, 1913.)

DANS le cas où le Scheikh de Mohammerah voudra prier un des commissaires ottomans de s'occuper des intérêts du commerce et de la navigation persans, la Sublime Porte autorisera ledit commissaire à s'occuper de ces intérêts, sans que cela puisse aucunement préjudicier en quoi que ce soit à sa qualité de commissaire ottoman et au remplissement des attributions définies par cette convention.

[13627] No. 55.

Foreign Office to Admiralty.

Sir, *Foreign Office, April 18, 1913.*

I AM directed by Secretary Sir Edward Grey to refer to two letters addressed to this Office by the India Office, dated respectively the 17th and 22nd ultimo, copies of which are stated to have been sent to your Department, relative to proposals for the (1) substitution of Musandim for the island of Little Quoin as the site of a lighthouse in connection with the scheme for lighting and buoying the Persian Gulf; and (2) establishment of a naval station for the defence of the Gulf.

I am to state that, for reasons of a political nature into which it is unnecessary to enter at this stage, Sir E. Grey is of opinion that these questions should be kept as far as possible distinct, and I am accordingly to state that he would be glad to receive the views of the Lords Commissioners of the Admiralty on each point separately.

I am, &c.
LOUIS MALLET.

PUBLIC RECORD OFFICE, LONDON

[17972] No. 56.

Sir G. Lowther to Sir Edward Grey.—(Received April 19.)

(No. 308. Confidential.)

Sir, *Constantinople, April 14, 1913.*

I HAVE the honour to forward herewith a despatch, No. 14 of the 29th March, from Mr. Matthews, His Majesty's vice-consul at Adana, reporting on the general situation in his district, and on certain aspects of the Armenian question in those regions.

Mr. Matthews draws attention to the similarity between the inflamatory articles appearing in the "Tarsus" and those published by the "Itidal," the local organ of the Committee of Union and Progress, before the massacres of April 1909.

In Armenian circles here a certain apprehension exists as to the outlook in the Adana and neighbouring district of Zeitoun. In my despatch No. 279 of the 5th April I had occasion to allude to the attempt of some Armenian revolutionaries to land arms, &c., at Deurtyol, and it is suspected that this may be the action of a band of extremists, who, working in with and on the suggestion of the Greeks, may be preparing to seek an opportunity of avenging the massacres of April 1909. I am informed that the Armenian community here on getting wind of the adventure have sent messengers to Adana and neighbouring places to pursuade their fellow-countrymen not to think of departing from the correct attitude that the Armenians as a whole have maintained during Turkey's recent troubles. Some Armenians fear that the unwise action of some extremist revolutionaries may provide the authorities with a pretext or incentive to bring about events which would thin out the Armenians in the Hadjin and Kozan districts to make place for the Moslem refugees from Turkey in Europe whom it is intended to settle in the Adana province.

In previous despatches I have had the honour to refer to the fact that German agents have been making advances to the Armenians with a view to enlisting their sympathies on the side of Germany, and thus weaning them from Russia by holding out promises that the German Government will force the Turkish Government to put into execution the reforms promised thirty-five years ago by the Treaty of Berlin and the Cyprus Convention "which England has failed to have carried out."

Armenians are, perhaps naturally, rather sceptical as to the efficacy of the would-be reforms under German auspices, and argue that if England, who was sincere and liberal minded, has failed to secure the execution of Turkish promises in the matter, there is small likelihood that Germany, who has schemes of eventual German colonisation in districts in Cilicia now inhabited by Armenians, and who during the massacre of 1895 exhibited a "callousness" which the Armenians cannot easily forget, will now bestir herself and keep up the continuous effort that would be required to secure any real betterment of the lot of the Armenians. This propaganda may not be devoid of significance in view of German special interests in Cilicia and the Alexandretta districts.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 56

Vice-Consul Matthews to Sir G. Lowther.

(No. 14.)

Sir, *Adana, March 29, 1913.*

I HAVE the honour to transmit to your Excellency the following report:—

Coal Supply.—In my despatch No. 7 of the 11th ultimo I referred to the shortage of coal, and stated that a serious situation would arise when the existing supply had been exhausted. The recent arrival at Mersina by Deutsche Levante steamers from Hamburg and Antwerp of 2,000 tons of patent fuel, about half of which was German and the remainder Belgian, was most opportune. Several local factory owners have endeavoured without success to obtain cargoes of coal from England; British shippers being unwilling to take the risks involved. Coal and patent fuel are being sold here at 3*l.* to 4*l.* per ton, the price in normal times being about 20*s.* a ton.

Refugees from Macedonia.—It has been reported during the past two months that 20,000 refugees from Macedonia were to be sent to this district, and fears are entertained that disputes will occur between them and the Kurds and other nomads who migrate to this district in April and May for the harvest. On the 22nd instant, a few families of refugees arrived here, and work has been found for them in the town. The Government is credited with the intention of settling the refugees in the Armenian districts of Hajin and Deurtyol.

Forced Requisition.—A forced requisition of grain and of camels to convey it to Bozanti and Ulu Kishla was ordered on the 12th instant. Seals were placed upon grain stores, and 25 per cent. less than the current market price was offered in payment for the grain seized. Merchants and others were indignant and protested, and I am informed that the authorities have abated their original demand for 70,000 bags. I understand that only 1,000 bags of wheat of about 100 kilog. each have been despatched to Constantinople, and that no more will be sent. The most strenuous opposition was offered by local landowners, who represented to the vali that if the grain, which they had purchased for feeding their labourers at harvest time, was seized, there would be a famine in the district. As it is, the price of bread has risen by 40 per cent. during the past few weeks.

Dismissals and Transfers of Officials.—The former Mutessarif of Mersina, a member of the Committee of Union and Progress named Reouf Bey, was dismissed in January last, being replaced by a Christian named Yovannaki Effendi, who had previously been at Gallipoli, and was described as a member of the Liberty and *Entente* Committee. Yovannaki Effendi was replaced early this month by a Committee of Union and Progress nominee, who, after being mutessarif for three weeks, is now reported to have been *mis en disponibilité*. The Mutessarif of Kozan was dismissed about the 7th instant, Ghalib Bey, Mutessarif of Jebel Bereket (Osmanieh), being transferred to Kozan, and Reouf Bey, former Mutessarif of Mersina, being appointed to Jebel Bereket. The Mutessarif of Kozan was well disposed to the Armenians, and is thought to have been made a scapegoat for the disturbances at Hajin at the end of January last.

Local Newspapers.—The Turkish newspaper, "Tarsus," published at Tarsus by Muezzin-zadeh Muhammed Tahir, seems to model its articles on those published in 1909 by the notorious "Itidal." Its issue of the 18th instant contains a leading article headed, "To Islam," and a poem entitled "Vengeance," which are extremely anti-Christian in tone, and calculated to excite Moslem fanaticism. The contents also include a sarcastic paragraph on the mudir of police of Adana, an Albanian named Ruhi Bey, who is congratulated on his appointment as Minister of Police of Albania, and is begged to take his Albanian colleagues and subordinates with him when he returns to his native country. In my despatch No. 3 of the 10th January last, I mentioned that the Adana police force was being reorganised. Those of its members who were requested to serve in Van and other vilayets, resigned rather than do so, and their successors from Rumelia, while more efficient and less corrupt, are unpopular locally. The "Tarsus" newspaper of a month ago offered the vali its "sincere" congratulations on his patriotic generosity in contributing 468 metaliks; *i.e.*, £T. 1, to the war fund. An article in the issue of the "Tarsus" of the 15th November, 1912, caused a panic in Tarsus (my despatch No. 45 of the 19th November last), and the vali informed me at the time that the Public Prosecutor had initiated an action against the proprietor, but apparently without any good result. A few articles were published some weeks ago in the local Turkish newspaper, "Seihan," by a former member of the Administrative Council of Monastir, describing Servian misdeeds after the capture of that town, but I am glad to say that they have been discontinued. Such articles can serve no useful purpose; detailed accounts of atrocities are scarcely required by local Moslems, the events at Adana in the spring of 1909 being still fresh in their memory.

Tricentenary of Russian Dynasty.—A *Te Deum* was sung in the Greek Church on the 6th instant, in connection with the celebration of the 300th Anniversary of the Foundation of the Russian Dynasty, the Catholicos of Sis and the local Armenian Bishop taking part in the service. The dragoman of the vilayet represented the vali, who was indisposed, and the consular officers resident here were present at the service. A short address was made by the Greek Metropolitan, who was followed by the Catholicos. The former eulogised the Romanofs as the protectors of the Orthodox Church, while the Catholicos asked that those present should pray for the dynasty, which had championed the cause of all the Christians in the East.

The presence of the Catholicos at the Greek Church has given rise to much comment, and it is stated that, with the exception of a small minority consisting of the more

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extreme revolutionaries, the Armenians look to Russia for aid in obtaining an improvement of their lot. It is realised that, owing to her geographical position, Russia can provide special guarantees for the execution of reforms in those districts inhabited mainly by Armenians.

Armenian Affairs.—An apparently baseless report was current at the beginning of this month that the Armenians of Hajin and Dourtyol were likely to give trouble. The report appears to have been caused by the arrival of certain Armenians of Hajin and Dourtyol, who had been exiled to Rhodes after the massacres of 1909. The returning exiles were arrested and kept in custody here for a few days, but were afterwards allowed to proceed to their destination.

On the 16th instant a brawl occured in the Armenian Cathedral between the more conservative elements on the one side and the revolutionary Tashnaks (or Troshaks) and Hinchaks on the other. The contending parties were separated by some Armenian soldiers, who happened to be in the cathedral. I am informed that the Tashnaks and the Hinchaks are united in demanding the election of a new Church Council, on which they hope to be represented, while the more conservative elements resist this demand as they fear that the revolutionaries, who are suspected of still maintaining a connection with the Committee of Union and Progress, have designs upon the schools of the community. The revolutionaries are agitating for the removal of the bishop, who has incurred their displeasure, and the Catholicos is endeavouring to reconcile the two parties.

Committee of Union and Progress.—As stated in my despatch No. 7 of the 11th ultimo, the Committee of Union and Progress has failed to regain its former position here. I have heard of the initiation of "fedais," and considerable activity was manifested by its members for a few weeks after the fall of Kiamil Pasha's Cabinet, but succeeding events, from the murder of Nazim Pasha to the fall of Adrianople, have utterly discredited the Committee. The Treasurer of the local club stated on the 25th instant that a delegate had arrived here ten days previously from Constantinople to reorganise Committee activities, but that he had been greatly discouraged by the coolness of his reception. I hear this morning, from an absolutely reliable source, that a strong and growing feeling exists against the Committee of Union and Progress. Tarsus is stated to be the stronghold of the Committee in this district at present.

Future Developments.—It is hoped that peace will soon be concluded, and that a stable government will be established. Some Christians think, that when peace has been made, the situation will become more serious than it has been at any time during the past six months. They fear that they will be subjected to reprisals by the disbanded troops and embittered "muhajirs," who will be dispersed over Asia Minor. According to others, the danger of massacres and reprisals is not great; had the result of the war been different, the Turks would have been much more disposed for a "jihad" against all Christians.

Military.—Two battalions of troops, one said to be from Damascus the other from Aleppo, passed through Adana by train on the 5th instant on their way to the front. It is reported that upwards of 100 of these troops, who deserted here, are in hiding in the town. On the 15th instant a detachment with six mountain guns is reported to have passed through Adana coming from Aleppo. On the same date, a small Turkish steamer arrived at Mersina from Beirout with ninety tons of rifles and ammunition, which were despatched by rail to Constantinople. Small quantities of rifles and ammunition have passed through here from the interior, Aintab, Marash, &c. On the 18th instant two and a-half waggons of rifles (about 7,000 rifles) passed through Adana for Constantinople.

Visit of High Commissioner for Cyprus.—The High Commissioner for Cyprus and Lady Goold-Adams arrived at Mersina on the 25th instant by Austrian Lloyd steamer. They came up to Adana on the 26th instant and spent the day here. The vali, whom I had informed of the projected visit, sent the mudir of police to the train to bid the High Commissioner welcome. The local commissaires of police, who were drawn up at the railway station as a guard of honour, were inspected by the High Commissioner, who complimented them on their smart appearance. I accompanied Sir H. and Lady Goold-Adams, when they called on the vali, and when the vali returned the call at the vice-consulate, I again acted as dragoman. The High Commissioner informed the vali that as he was returning to England on leave of absence, he had availed himself of the opportunity of visiting Adana.

I was requested to inform your Excellency that Sir H. and Lady Goold-Adams intend to visit this district in December or January next for a week or two's shooting.

Dekhalet.—Scarcely a week has passed during the last three months in which some Turkish subjects have not applied to this vice-consulate to become British subjects. The applicants have been almost invariably Turkish Moslems, the Christians being well aware that it is no use making "dekhalet." Most of the applicants have been Moslems, anxious to avoid military service, and have usually been dealt with by the cavass on duty. On Sunday the 23rd instant three Turkish villagers called at the vice-consulate, and as they refused to state their business to the cavass I finally consented to see them. They stated that they and their families had suffered all that was possible at the hands of Hajji Mehmed Agha, a Turkish landowner, who tyrannizes the village of Tilli (Intilli (?)) near Islahieh, and that having applied in vain for redress to the local authorities, the vali and the Minister of the Interior, they had a month ago telegraphed to me that they desired to become British subjects, in proof of which they produced the two telegraph receipts annexed.* The telegrams were not delivered to me, and I have made no enquiry respecting the reason of their non-delivery, as any action of mine would probably involve the senders in greater misfortune. I experienced some difficulty in getting rid of the villagers, and I must confess that had it been in my power to do anything for them I should have done it. I transmit herewith a paper which they left at the vice-consulate.* I mentioned the case to Sir H. Goold-Adams, who stated that he understood that the desire that Great Britain should assume responsibility for the government of the whole country was very prevalent at present among Turkish Moslems of every class.

I have, &c.
W. D. W. MATTHEWS.

[17975] No. 57.

Sir G. Lowther to Sir Edward Grey.—(*Received April 10.*)

(No. 311.)
Sir, *Constantinople, April 15, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's Consul-General in Beirout reporting on the increased activity of reform agitation there.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 57.

Consul-General Cumberbatch to Sir G. Lowther.

(No 28.)
Sir, *Beirout, March 27, 1913.*

WITH reference to my despatch No. 26 of the 12th March, on the subject of the various schemes of reforms under consideration, I have the honour to report that the local agitation for their introduction is increasing as time goes by, and no indication comes from Constantinople that either of the schemes submitted by the representatives of the various communities was likely to be adopted.

The members of the executive committee, elected at the public meeting mentioned in my despatch No. 8 of the 24th January, have founded a "Club réformiste" where all questions of public interest can be discussed, and they have been showing extraordinary activity, and, for this country, unusual boldness in the reform campaign.

A fortnight ago this committee had a special interview with the Governor-General in which they demanded his Excellency's support of their scheme, and it was on this occasion that Hazim Bey encouraged them, in the belief that the Government would introduce reforms of some kind or other, by telling them that he had postponed the public reading of his firman of appointment and its publication in the official gazette until the new "Law on the Vilayets" should be promulgated, thus confirming a previous statement of his, that he had accepted the Governor-Generalship on condition that reforms of some sort or other were introduced.

With regard to their scheme, Hazim Bey gave a somewhat evasive reply which brought about another general meeting of the "Reformists," at which it was resolved to send a delegation to Constantinople to discuss matters with the Government.

* Not enclosed.

It would appear that the vali suggested the omission of the demands for foreign advisers and for conditional military service.

Having been led to hope that they would find in Hazim Bey a powerful champion of their scheme, the "Reformists" are now greatly disappointed at finding that all the Government appears disposed to do is to put into execution, without further delay, the first chapter of the new "Law on the Vilayets" which deals chiefly with the application to the vilayets of the revenues collected therein.

They were, however, not to be put off by mere promises, and it having been rumoured that the vali, under categorical orders of the Sublime Porte, intended carrying out the ceremony of the public reading of his firman this week, a public demonstration was talked of to protest against the delay in introducing the required reforms, and disturbances were anticipated as a large section of the Moslems had declared their intention to abstain from pressing the Government at its present moment of trouble; wiser counsels prevailed, and neither the firman was read nor were the demonstrations carried out.

In the meantime, as a sort of protest, several leading Moslems and Christians have declined high functions offered to them by the vali on the pretext that they cannot do so as members of the reform party until their demands have been complied with.

Amongst others, Chukry Bey Assly, Deputy of Damascus in the last Parliament, has declined the Governorship of Lattakia on the pretext that, unless the reforms are granted, it is of no use his trying to govern that district with any chance of success, but that when the reforms are granted he will accept any post the Government cares to give him.

A most prominent member of the Administrative Council, Selim Effendi Ali Salam, has also resigned for the same reasons, as have also two members of the "Emlak" commission who hold very high social positions in Moslem circles, followed by all the members of the Ottoman Chamber of Commerce and most of the members of the Municipal Council.

Up to the present the Moslems and Christians have been working in unison, and to prove this unity of purpose they have elected a Moslem and a Christian as presidents of their "Club réformiste."

I have, &c.
H. A. CUMBERBATCH.

[18043] No. 58.

India Office to Foreign Office.—(Received April 19.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 18th April, 1913, regarding Koweit.

India Office, April 18, 1913.

Enclosure in No. 58.

Government of India to the Marquess of Crewe.

April 18, 1913.

(Telegraphic.) P.

KOWEIT.

Instructions have been given to the Resident, Persian Gulf, to warn the sheikh, unless he sees strong objection, that if his autonomy is recognised it may become necessary for him to receive a Turkish agent. Should the sheikh display uneasiness, and the Resident decide to visit Koweit, a discretion has been given to the latter, just as appears to him advisable, to prepare sheikh for the loss of the places named in your telegram of the 29th March.

[18131] No. 59.

Lieutenant-Colonel Sir P. Cox to Sir Edward Grey.—(Received April 19.)

(Telegraphic.) R. *Bushire, April 19, 1913.*

I AM doubtful whether, when Foreign Office despatch No. 2, Commercial, of 19th March was written, Sir G. Lowther's despatch of 2nd March had been considered. Information supplied therein fully corroborates forecast made in my letter No. 14 of 24th December, and justifies the apprehension that, if no specific measures be taken in time to prevent it, river lighterage and transport from bar to Baghdad—in fact, conveyance of all British goods to Western Persia—will be before long in German hands.

I venture, therefore, to press urgently promotion of British combine for ultimately taking over transport on the upper river at the end, and also formation of British lighterage company for Basra and the Gulf ports.

It is clear that we cannot ignore probability of German element ultimately acquiring Messrs. Lynch's interests. In order to defeat this I venture to urge that we should endeavour to create a British combine based on or substituted for British interest in present company, in order to maintain and extend transport on river under British control. Our long-standing and existing concessionary rights give us a much stronger claim than their temporary concession gives the Germans. As regards lighterage company, I can only again urge expediency of getting companies to meet and devise some effective scheme.

[18132] No. 60.

Sir G. Lowther to Sir Edward Grey.—(Received April 21.)

(No. 312. Confidential.)

Sir, *Constantinople, April 16, 1913.*

WITH reference to my despatch No. 277, Confidential, of the 6th instant, relating to the question of the gas buoys for use on the bar at Basra, I have the honour to inform you that I am in receipt of a further telegram from His Majesty's consul at that port.

In this telegram, which was despatched from Basra before Mr. Crow could have received from me the information reported to you in my above-mentioned despatch, Mr. Crow states that he applied privately to the engineer of the lighthouse administration for further details of the proposed gas buoys, and that he was informed that it was no concern of his to ask questions on the subject.

I have, &c.
GERARD LOWTHER.

[18135] No. 61.

Sir G. Lowther to Sir Edward Grey.—(Received April 21.)

(No. 316.)

Sir, *Constantinople, April 17, 1913.*

WHEN I saw the Grand Vizier on the 14th instant I again urged on his Highness the claims of Mr. d'Arcy's group to the oil concession in the two Mesopotamian vilayets, and as a story had just come to my ears that the Germans were in possession of a contract made with the Minister of Finance which reaffirmed their rights under the Zander contract, I asked him on what the Anatolian Railway Company based their claim. Mahmoud Shevket Pasha said that a contract such as I have described above was in existence, and that if the Turkish Government knowing of its existence had nevertheless since said that the Germans had forfeited their rights, this line had been adopted merely to induce the Germans to increase their offer, and the English group had been deceived. If the concession were now granted to the latter the Anatolian Railway Company would bring an action for damages against the Government, and would certainly win it. The Grand Vizier went on to urge once more the necessity of combining the rival interests, and he went so far as to hint that it might perhaps be arranged that the controlling share might be secured to the English. I said that

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a fusion of interests would not suit us; and he replied that this was unfortunate as the Government was anxious to see the industry developed.

You will remember that I reported in my despatch No. 257 of the 31st ultimo that the Grand Vizier had spoken of the existence of a contract having been signed between the Germans and the Minister of Finance at some period subsequent to the Zander contract, but that his Highness' knowledge of the agreement was so vague that I came to the conclusion that he was alluding merely to the German protest against the annulment of the alleged rights under the Zander contract, a conclusion in which I was confirmed by the positive denial of Mr. Whittall that any such later agreement had been concluded, and by the failure of Mr. Stock to find any trace of it in the dossier at the Ministry of Mines.

Although Mahmoud Shevket Pasha gave me no details of the contents of the alleged contract, further than that it reaffirmed the earlier German rights, I am now however disposed to believe that such a document does exist, and I have suggested to Mr. Stock that he should endeavour to get a copy of it at the Ministry of Finance.

Until we are in possession of it, it is of course impossible to judge what the value of this contract really is, but at first sight I am inclined to doubt whether it is worth so much to the Germans as the Grand Vizier would have us believe. On general grounds it seems to me improbable that, if the document was as binding as it is represented to be, the Grand Vizier would still be negotiating with us, but would reply that it was impossible for him to discuss a concession which had already been granted to another party. Again, it is generally admitted that a petroleum monopoly for any part of the Empire cannot be legally granted under the existing mining law, and therefore any contract for a monopoly entered into until the law is modified would appear to be *ultra vires*.

I have, &c.
GERARD LOWTHER.

[18136] No. 62.

Sir G. Lowther to Sir Edward Grey.—(Received April 21.)

(No. 317.)
Sir, *Constantinople, April 17, 1913.*

I HAVE the honour to forward herewith a despatch from Van, on the subject of disturbances to the south of the Kotur province.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 62.

Vice-Consul Molyneux-Seel to Sir G. Lowther.

Sir, *Van, March 24, 1913.*

I HAVE the honour to inform your Excellency that a conflict between the Turkish frontier guards and Simko took place recently on the Persian frontier some distance to the south of the Kotur province. The Turkish Government has not yet received the full official account of the affair.

As your Excellency will be aware, the famous brigand Simko (Ismael Agha) formerly resided at Kotur. Last summer he was invited to Tiflis, and there a decoration was conferred upon him in recognition of his services to the Russian Government. He was then given an official post at Chari, whither he repaired with his men, his place at Kotur being taken by his brother. Chari is consequently now the base of his raiding operations in Turkey. His political mission appears to be the maintaining of friction between the Turkish Government and the border frontier tribes. Abdul Rezzak Badr Khan is at Khoi. His object appears to be to blackmail the Turkish Government. However, the authorities here do not attach a great importance to what influence he still has among the Kurds, and are unlikely to purchase his goodwill. Even the Russian authorities do not appear to consider him a useful instrument.

Sheikh Taha remains in the neighbourhood of Urmi, and all attempts of the Turkish Government to persuade him to re-enter Turkey have failed. A commission, of which Osman Pasha, the Van redif commander, and Sheikh Youssouf are members,

has been sent to try once again to bring about the re-entry of Sheikh Taha into Turkey. Before starting, this commission sought from my Russian colleague a letter of recommendation to the Russian authorities in Persia to facilitate its work, but this request was not acceded to.

The position, in short, on the Persian frontier which gives anxiety to the Turks is the presence in Persian territory and under Russian influence of three more or less influential Kurds who are undermining Turkish authority among her own Kurds. In the event of more serious disturbances at Constantinople, and of the Kurds realising the loss of authority of the central Government, this malign influence would not be without its effect in precipitating disorders in Kurdistan.

I have, &c.
C. MOLYNEUX-SEEL.

[15220] No. 63.

Sir Edward Grey to Sir G. Lowther.

(No. 113.)
Sir, *Foreign Office, April 21, 1913.*

I TRANSMIT to your Excellency herewith copy of a letter which, on the receipt of your Excellency's despatch No. 227, Confidential, of the 26th ultimo, I caused to be addressed to the Anglo-Persian Oil Company, on the subject of the concession for the exploitation of the oilfields of Mesopotamia, together with copy of the reply which the company have now returned to that communication.*

I am of opinion that there is considerable force in the arguments advanced by the company, and that the point of view expressed in the second paragraph of their letter may well be maintained.

It appears that the words quoted from the Bagdad Railway Convention, "sans que cela constitue pour lui un privilège ou un monopole," may well be held to bar any contention which may be advanced by the German group that the exploitation by others of fields within 20 kilom. of the line before any oil has been discovered by the railway company in that zone would constitute an infringement of the latter's rights.

Your Excellency should therefore continue to lend to Mr. Stock your most energetic support in this matter, and should make use for the purpose the arguments set forth in the oil company's letter.

I am, &c.
E. GREY.

[16926] No. 64.

Sir Edward Grey to Sir G. Lowther.

(No. 114.)
Sir, *Foreign Office, April 21, 1913.*

I HAVE received your Excellency's despatches No. 281 of the 6th instant and No. 282 of the 7th instant, containing pamphlets on the subject of the grievances of the Armenians in the Turkish Empire.

If your Excellency thinks that it would serve any useful purpose, you are authorised to inform the Turkish Minister for Foreign Affairs that these pamphlets have been brought to the notice of His Majesty's Government, on whom they have made a most painful impression.

Your Excellency may express the most earnest hope of His Majesty's Government that the Sublime Porte will take the question of reforms into their urgent consideration, and that they will, in the meantime, send imperative instructions to the valis concerned to use every means in their power to provide for the security of the lives and property of the Armenians.

I am, &c.
E. GREY.

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* Part IX, No. 179; and No. 6.

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[15220] No. 65.

Foreign Office to Mr. Greenway.

Sir, *Foreign Office, April 21, 1913.*

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 2nd instant on the subject of the concession for the exploitation of the oilfields in Mesopotamia.

I am to inform you in reply that a copy of that communication has been forwarded to His Majesty's Ambassador at Constantinople, with instructions to continue to lend to Mr. Stock his most energetic support in this matter and to make use, for the purpose, of the arguments set forth in your letter.

I am, &c.
LOUIS MALLET.

[18562] No. 66.

Sir G. Lowther to Sir Edward Grey.—(Received April 22.)

(No. 203.)
(Telegraphic.) *Constantinople, April 22, 1913.*

VICE-CONSUL at Hodeidah reports that local authorities reject right of intervention on behalf of subjects of the Sultan of Muscat, whom the authorities at Lohein have imprisoned for debt and grossly maltreated.

In view of Ottoman Government's probable hesitation to recognise our right of protecting natives, I would solicit instructions as to whether I can make representations in the matter and to what extent it might conceivably be advisable to mention matter to Hakki Pasha.

[16736] No. 67.

Sir Edward Grey to Sir G. Lowther.

(No. 117.)
Sir, *Foreign Office, April 22, 1913.*

I HAVE received your Excellency's despatch No. 279 of the 5th instant forwarding copy of a report from His Majesty's consul at Aleppo relative to the unrest prevailing among Kurds and Armenians in his district.

In view of the opinion expressed by Mr. Fontana in the last paragraph of his despatch, that the removal of the prohibition imposed on communications in cypher between consular officers and their respective missions is a measure necessary for the safety of those officers themselves and of foreign subjects generally in those regions, I have to request your Excellency, should you see no objection, and should you not already have taken such a step, to approach the Sublime Porte with a view to attain this object.

With reference to the last paragraph but two of the second of the anonymous communications received by your Excellency through His Majesty's vice-consul at Adana, copies of which are also enclosed in your despatch, I have to request you to report, if you find it possible to obtain the information, whether there is any foundation for the statement that German claims in connection with the massacres at that place have been met by the payment of a million (presumably of Turkish pounds).

I am, &c.
E. GREY.

[18545] No. 68.

India Office to Foreign Office.—(Received April 22.)

Sir, *India Office, April 21, 1913.*

IN continuation of previous correspondence as to the lighting and buoyage of the Persian Gulf, I am directed to invite reference to the Viceroy's telegram of the 14th April, 1913 (copy communicated to Foreign Office, 14th April, 1913), in which

the question of making a communication to foreign consular officers in regard to the new lights at Bushire, Bunder Abbas, and Bahrein is again raised.

This course, it will be remembered, was recommended by the Marquess of Crewe in the third paragraph of my letter of the 17th January last, but the point was not pressed, in view of the opinion expressed by His Majesty's Minister at Tehran, in his telegram No. 38 of the 28th January, 1913, that no announcement should be made pending a settlement with the Persian Government of the general question of British rights to the control of buoying and lighting arrangements in the Gulf.

The general question has, however, now been indefinitely postponed by the decision of His Majesty's Government not to insist on its settlement as part of the conditions attached to the recent advance of 100,000*l.* to the Persian Government; and in these circumstances there seems no reason to defer any longer the proposed announcement to foreign consular officers. Lord Crewe would suggest that, with Sir E. Grey's permission, His Majesty's Minister at Tehran might be authorised to instruct Sir P. Cox accordingly.

I am, &c.
T. W. HOLDERNESS.

[18583] No. 69.

Sir G. Lowther to Sir Edward Grey.—(Received April 23.)

(No. 320.)
Sir, *Constantinople, April 18, 1913.*

IN my telegram No. 191 of the 14th instant I had the honour to inform you that His Majesty's consul-general at Beirout had reported telegraphically the release of the members of the Reform Committee who had been arrested by the authorities, and a general improvement in the situation in that city.

I have now the honour to transmit herewith copy of a despatch No. 31 from Mr. Cumberbatch of the 10th instant, in which he gives a full account of the action of the central authorities which led up to the events recorded in his two telegrams Nos. 11 and 12, the substance of which I had the honour of communicating to you in my telegrams Nos. 190 and 191 of the 13th and 14th instant respectively.

In addition to the above, I have received two further telegrams from Mr. Cumberbatch, the substance of which I did not think worth while telegraphing to you, in which he reports that on the 14th, the situation was still precarious, owing to the refusal of the townspeople to resume business unless the Reform Club and Committee were reinstated. This attitude of the townspeople appeared to be remarkably determined, and they expressed their firm intention of adhering to it in spite of the efforts of members of the committee to induce them to resume business.

On the 15th instant, however, business was generally resumed, partly, it appears, in view of an engagement taken by His Majesty's consul-general with the vali, that if the arrested persons were released the townspeople would reopen their shops.

The danger of a collision between the inhabitants and the authorities was thus provisionally averted.

I have, &c.
GERARD LOWTHER.

Enclosure 1 in No. 69.

Consul-General Cumberbatch to Sir G. Lowther.

(No. 31.)
Sir, *Beirout, April 10, 1913.*

WITH reference to the second paragraph of my despatch No. 28 of the 27th March, in which I mention the formation of a "Reformists' Club," I have the honour to confirm my telegram of yesterday's date (No. 10), in which I reported that the club had been closed by orders from Constantinople, on the pretext that certain of the reforms demanded and insisted upon by the Reformists were of an unconstitutional nature, and that, in view of the recent promulgation by the Government of the new law on the vilayet of

the Empire without waiting for parliamentary sanction, there was no *raison d'être* for a club of that nature.

The Ministerial order was communicated to the press by the vali the day before yesterday, so that yesterday all the Beirout newspapers with one exception appeared with a copy of this order in a black border as the sole contents of the paper, the three other pages being left blank.

As this form of protest is possibly without precedent in this country, I transmit a copy of one of these papers with a translation of the Ministerial order.

In my humble estimation the Reformists have been a little too noisy and impatient in their insistence on the adoption straightaway by the Government of their project as the sole base of future reforms before having themselves had time to study the provisions of the new law on the vilayets, which is only now being translated into Arabic and published in the local "Official Gazette."

On the other hand the Government would have done better to have left the club alone, as its committee was composed of representative men of sense, weight, and experience in whom the Governor-General would probably have found useful and responsible advisers, and not the political schemers they have probably been made out to be.

This forcible closing of the club will lead to other forms of protestation, and can but result in an increase of the general unpopularity in Syria of the Unionist Government party, whilst embarrassing the Governor-General, Hazim Bey, whose efforts to secure reforms of a decentralisation nature are only too well known.

I have, &c.
H. A. CUMBERBATCH.

Enclosure 2 in No. 69.

Extract from the "Réveil" of April 10, 1913.

ORDONNANCE MINISTÉRIELLE.

(Traduction.)

ATTENDU que le comité composé à Beyrouth, il y a deux mois et demi, de quelques notables, sous le nom de Comité de Réformes et qui obtint une autorisation fortuite du vilayet, a été constitué contrairement à la Loi sur les Associations;

Considérant également que plusieurs des demandes formulées sous prétexte de réformes par les membres de ce comité sont anticonstitutionnelles;

Il y a lieu de mettre fin à l'existence et aux réunions dudit comité.

Attendu, d'autre part, que la nouvelle Loi sur les Vilayets, basée sur l'extension des pouvoirs et la répartition des fonctions conformément à l'article 108 de la loi constitutionnelle, vient d'être sanctionnée et promulguée par iradé Impérial;

Attendu que cette loi répond à tous les besoins auxquels correspondent tous projets de réformes demandées pour le vilayet de Beyrouth et pour l'Empire ottoman et qu'elle répond spécialement aux nécessités particulières de chaque vilayet, vu qu'il est établi par les faits que la promulgation d'une telle loi spéciale garantissant toutes les reformes dont le Gouvernement Impérial souhaite sérieusement l'exécution, appellera, en cas de lacunes constatées, le Gouvernement à faire combler ces lacunes par les soins du Parlement, qui (Dieu le veuille!) se réunira bientôt;

En conséquence, nous déclarons que, conformément à la loi, toute réunion du susdit Comité de Réformes, lequel n'a pas d'existence légale et est sans aucune raison d'être, est interdite à dater de ce jour.

Si donc ceux qui forment ce comité contreviennent à la loi en se réunissant, ce que nous ne croyons pas, le Gouvernement sera forcé de leur appliquer la loi.

Le Vali,
ABOU BACKR HAZIM.

Beyrouth, le 26 mars, 1329.

[18584] No. 70.

Sir G. Lowther to Sir Edward Grey.—(Received April 23.)

(No. 321.)

Sir, *Constantinople, April 18, 1913.*

WITH reference to my despatch No. 300 of the 12th instant, reporting on the "Loi sur les Vilayets," I have the honour to report that the "Official Gazette" of the 10th instant published the text of a short law empowering provincial General Councils to levy surtaxes on direct Imperial taxes, not exceeding 7½ per cent. of the amount of the principal tax. The law is dated the 24th March, 1329 (6th April, 1913). The powers specially conferred by it are contemplated by a paragraph in the article of the recent law on vilayets, which enumerates the revenues appertaining to the provincial Government. This article of the law on vilayets transfers to the Provincial Government certain existing surtaxes for special purposes, *e.g.*, public instruction, and later on, in the further list of provincial revenues, includes "fractional surtaxes which shall be added to the general (*i.e.*, Imperial) direct taxes by the General Council of the vilayet, provided that the maximum amount shall not exceed the proportion to be prescribed by law."

As this law might affect foreigners, especially in connection with the late tenettu, which is a direct tax, the bearing of the subject will be discussed at the meeting of dragomans, and I will not fail to keep you informed of the conclusions which may be arrived at.

I have, &c.
GERARD LOWTHER.

[18586] No. 71.

Sir G. Lowther to Sir Edward Grey.—(Received April 23.)

(No. 323.)

Sir, *Constantinople, April 19, 1913.*

WITH reference to my despatch No. 272 of the 5th instant, I have the honour to forward herewith a despatch from His Majesty's consul at Damascus reporting further on a fight between the Bedouin tribes in Jauf.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 71.

Consul Devey to Sir G. Lowther.

(No. 25.)

Sir, *Damascus, April 6, 1913.*

REFERRING to my despatch No. 20 of the 24th March, 1913, I have the honour to state that what was reported by Faiz, a tribesman of Beni Sakhr, has proved erroneous. The Rowela tribe suffered at the hand of Sheikh Ahtau-ibn-Kazi (the sheikh of the Howeitat tribe) and not from Ibn Rashid as reported.

Four thousand sheep and goats with 1,000 camels were carried off by the above-named sheikh and his tribe (Howeitat), who attacked the Rowela by night. They numbered about 5,000 men. It is believed that about 160 were slain between the two tribes and about 200 wounded. The Jauf district has been occupied by Howeitat, and the Rowela were driven out and escaped to Balka.

I have, &c.
G. P. DEVEY.

PUBLIC RECORD OFFICE, LONDON

[18587] No. 72.

Sir G. Lowther to Sir Edward Grey.—(Received April 23.)

(No. 324.)

Sir, *Constantinople, April 19, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's consul-general at Smyrna reporting on the situation at that town.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 72.

Consul-General Barnham to Sir G. Lowther.

(No. 23. Confidential.)

Sir, *Smyrna, April 14, 1913.*

I HAVE the honour to report, in connection with the arrival at Smyrna on the 5th instant of His Majesty's ship "Hibernia," that this city is perfectly quiet, and that no incident has occurred which should give reasonable cause for anxiety.

I have read a telegram in the "Morning Post" of the 5th instant from Reuter's agent at Constantinople to the effect that, while four Greek Ottoman subjects who had been sentenced to death for subversive practices at Mitylene were being led to execution, the mob had attacked the escort and rescued the prisoners, that several soldiers had been wounded by the people, who were armed with pistols and knives, and that the authorities were hurrying troops to Smyrna; also in the "Morning Post" of the 6th April there is a statement emanating from the Greek journal "Tachydromos," of Constantinople that the Greek Metropolitan of Smyrna had been murdered, but I beg to inform your Excellency that there is not a shadow of truth in these reports.

There are two Greek Ottoman subjects under sentence of death for complicity in the murder of Turks at Mitylene, but they have never quitted their prison walls, and the incident described is a pure fabrication.

I cannot say that these reports have surprised me, because many equally outrageous have been published from time to time; but it is right that I should put on record the fact that not only now, but ever since the war began, no incident has occurred at Smyrna which can with truth be said to have endangered the public peace.

There are people, unfortunately, who will not hesitate to publish any falsehood if they think it will serve to vilify the Turks.

After the fall of Janniná, some of the better-class Greeks were ordered to leave Smyrna for having celebrated that event indiscreetly, and possibly the propagation of these stories was intended as a retaliatory measure.

I have, &c.
HENRY D. BARNHAM.

[18713] No. 73.

India Office to Foreign Office.—(Received April 23.)

Sir, *India Office, April 22, 1913.*

IN reply to your letter of the 18th ultimo, relative to the proposed wireless telegraph installation at Debai, I am directed to forward for the information of Secretary Sir E. Grey copies of telegrams exchanged with the Government of India, and to say that the Marquess of Crewe concurs in the views expressed in their telegram of the 17th instant, and considers that no action need be taken until negotiations with Hakki Pasha are concluded.

I am, &c.
F. W. HOLDERNESS

Enclosure 1 in No. 73.

The Marquess of Crewe to Government of India.

(Telegraphic.) P. *India Office, April 1, 1913.*

DEBAI.

Please refer to your telegram of the 19th February. His Majesty's Government, before coming to decision, wish for information on following three points, viz:—

When is your action proposed to be taken?

What force do you think will be required for protection of installation (*a*) during its erection (*b*) permanently?

Is it possible for permanent force to remain through hot weather at Debai?

Postponement of action till after conclusion of negotiations with Turkey would be preferred by His Majesty's Government. Letter of the 30th April, 1911, from resident Bushire, seems to indicate that commencement of work should be made early in cold weather. If so, it is for consideration whether a postponement of whole question for three or four months is not possible—other developments may take place in this period

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Enclosure 2 in No. 73.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *April 17, 1913.*

PLEASE refer your telegram of the 1st instant regarding Debai.

During erection of installation at that place we consider that it will suffice to have a British officer and a company of Indian infantry, if one of His Majesty's ships on the station is present. If the attitude of the Sheikh and the inhabitants continues to be friendly, subsequent reduction of the force to a half company may be made. If hutting accommodation is provided, the retention of the force at Debai during the hot season will be possible. Immediate action is undesirable, as at present an epidemic of plague prevails at Debai. The resident, Bushire, thinks it possible for him, without much prejudice, to temporise with the Sheikh until the autumn. As it is possible that in the meantime the negotiations with Turkey may be brought to a close, we suggest the postponement of action for the time being, in accordance with the wish that His Majesty's Government has expressed.

[15561] No. 74.

Sir L. Mallet to Mr. Greenway.

Dear Mr. Greenway, *Foreign Office, April 23, 1913.*

I SEND you herewith, in accordance with my promise, a copy of the despatch from Sir G. Lowther which I read to you on the occasion of our last conversation.*

Will you kindly let us have your observations on it?

We are consulting the Board of Trade as to whether anything more can be done than we are doing already to further British interests in the matter.

I am, &c.
LOUIS MALLET.

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* No. 13.

[15561] No. 75.

Foreign Office to Board of Trade.

Sir, *Foreign Office, April* 23, 1913.

WITH reference to previous correspondence relative to concessions for exploiting the deposits of mineral oil in Mesopotamia, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's Ambassador at Constantinople reporting what passed at a further interview which he recently had with the Grand Vizier on the subject.*

It will be observed from the letter of Mr. Stock, local agent of the Anglo-Persian Oil Company, copy of which is enclosed in Sir G. Lowther's despatch, that the concession will in all probability be awarded to the highest bidder.

I am to state that Sir E. Grey would be glad to learn whether, in the opinion of the Board of Trade, there are any steps which could usefully be taken to further British interests in this matter beyond the instructions which have already been sent to Sir G. Lowther to support Mr. Stock by any means in his power.

A complete file of the correspondence which has passed on the subject, much of which is already in your possession, is also enclosed for convenience of reference.

I am, &c.
LOUIS MALLET.

[18562] No. 76.

Foreign Office to India Office.

Sir, *Foreign Office, April* 24, 1913.

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a telegram from His Majesty's Ambassador at Constantinople, asking whether he should make representations to the Turkish Government in favour of subjects of the Sultan of Muscat imprisoned and maltreated by the Ottoman local authorities at Lohcia.†

I am to state that Sir E. Grey would be glad to learn whether, in the opinion of the Marquess of Crewe, His Majesty's Government are in a position to make good a claim to the rights to protect subjects of the Sultan of Muscat outside the dominions of that potentate.

I am, &c.
LOUIS MALLET.

[19018] No. 77.

Sir H. Babington Smith to Mr. Maxwell.—(Received April 25.)

National Bank of Turkey,
Dear Mr. Maxwell, *50, Cornhill, London, April* 23, 1913.

WHEN I had the pleasure of seeing you a few days ago, I promised to send you a memorandum regarding the petroleum rights in Turkey acquired by the Turkish Petroleum Company (Limited). This, as you are aware, is the designation of the company formed by our group.

I enclose a memorandum, accompanied by a copy of the contract between the Anatolian Railway Company and the Ministry of the Civil List.

If any further information or explanations are required in order to make the position perfectly clear, I shall be very happy to give them.

Yours sincerely,
H. BABINGTON SMITH.

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* No. 13. † No. 66.

Enclosure 1 in No. 77.

Memorandum concerning the Petroleum Rights in Turkey acquired by the Turkish Petroleum Company (Limited).

(Confidential.)

THE Turkish Petroleum Company (Limited) has acquired all the interests and rights of the Deutsche Bank, of the Anatolian Railway Company, and of the Bagdad Railway Company in respect of the prospecting for, the mining, the production, and the refining of mineral oil in the Ottoman Empire in Europe or Asia.

These rights include :—

1. The rights arising under the railway concessions.

The concessions for the Bagdad Railway and for the Anatolian Railway include the following clause :

"Le concessionnaire pourra exploiter les mines qu'il aura découvertes dans une zone de 20 kilom. de chaque côté de l'axe de la voie en se conformant aux lois et règlements y relatifs, et sans que cela constitue pour lui un privilège ou un monopole."

This clause does not confer any exclusive rights in the railway zone ; but (*a*) the Government is bound to grant to the concessionnaires "permis de recherches" and firmans for working petroleum within the railway zone, if applied for in accordance with the existing laws and regulations ; (*b*), the Government is unable to grant exclusive rights for working petroleum within the railway zone to any other parties.

2. The rights arising under the contract of the 4th (17th) July, 1904, between the Ministry of the Civil List and the Anatolian Railway Company relating to the working of petroleum in the vilayets of Bagdad and Mosul. A copy of this contract is annexed.

The question of the exact position resulting from this contract has formed the subject of discussions between the railway company and the Government. The Government has expressed the opinion that the rights of the company had lapsed ; but the company has contested this view, and maintained that its rights were still in force. A formal "protêt" was communicated to the Government by the company in August 1909. In this it was pointed out that, even if it could be established (which they did not admit) that the company's rights under articles 1 and 2 of the contract had lapsed, article 6 still remained in force, and gave the company not only the right to receive repayment of the expenses incurred, but also a right of preference on equal terms over any other party applying for a concession to work petroleum in the above-mentioned vilayets.

Enclosure 2 in No. 77.

Contract between the Ministry of the Civil List and the Anatolian Railway Company.

ENTRE le Ministère de la Liste civile, représenté par son Excellence Ohanès Effendi Sakisian, d'une part, et la Société du Chemin de Fer ottoman d'Anatolie, représenté par M. K. Zander, d'autre part, conformément à un iradé de Sa Majesté Impériale le Sultan, émané à cet effet en date du 3 djémazi-el-oula, 1322, il a été arrêté et convenu ce qui suit :—

ARTICLE 1er.

La Société du Chemin de Fer ottoman d'Anatolie se charge d'exécuter entièrement à ses frais, dans un délai d'un an, à partir de l'échange de la présente convention, les études préliminaires (sondages et autres) concernant l'exploitation des gisements de pétrole dont la Liste civile est concessionnaire en vertu des firmans en date des 5 chaban, 1306, 5 djémazi-el-oula, 1316, et 16 ramazan, 1320, dans les vilayets de Bagdad et de Mossoul.

La Liste civile s'engage à procurer aux spécialistes délégués par la Société du Chemin de Fer ottoman d'Anatolie toutes les facilités désirables pour l'accomplissement de leur mission ; elle leur remettra les cartes et croquis du terrain, les études existantes,

les autorisations de circuler librement dans toute l'étendue des domaines dont il s'agit ; elle leur procurera l'assistance absolue des autorités, &c.

Les frais et les résultats de ces études seront communiqués intégralement et dans tous leurs détails à la Liste civile.

ARTICLE 2.

Si, à la suite de ces études, la société demande à se charger de l'exploitation desdites mines, cette exploitation lui sera concédée pour une durée de quarante ans par une convention spéciale sanctionée par Iradé Impérial ; elle aura lieu avec la coopération et sous le contrôle de la Liste civile.

ARTICLE 3.

Dans ce cas la société procurera, par une émission spéciale d'obligations, le capital nécessaire pour les travaux d'installation (usines, puits, machines, &c.) et pour le fonds de roulement, le tout à fixer d'un commun accord entre elle et la Liste civile.

ARTICLE 4.

Le service des intérêts et amortissement de ce capital, y compris les dépenses occasionnées par les études préliminaires, sera fait sur les recettes de l'exploitation.

ARTICLE 5.

Les recettes nettes au delà des frais d'exploitation et du susdit capital seront partagées entre la Liste civile et la société dans la proportion qui sera arrêtée entre elles.

ARTICLE 6.

Si la société, après achèvement des études, renonce à l'exploitation de ces mines, la Liste civile pourra en disposer en faveur d'autrui, sans que la société ait le droit de réclamer aucun frais ou indemnité, à quelque titre que ce soit.

Dans le cas où la convention relative à la concession de l'exploitation à la société ne pourra être conclue, pour tout autre motif, la Liste civile sera tenue de lui rembourser, avec les intérêts calculés à 5 pour cent l'an, le montant dûment constaté des dépenses effectuées pour les études préliminaires, et la société conservera un droit de préférence, à conditions égales, vis-à-vis de toute autre personne ou société qui demanderait cette exploitation.

OHANÈS SAKISIAN,
Ministre de la Liste civile.
K. ZANDER,
Directeur général de la Société du Chemin de Fer ottoman d'Anatolie.

Fait en double, à Constantinople, le (4) (17) juillet, 1904.

[19150] No. 78.

Sir G. Lowther to Sir Edward Grey.—(Received April 26.)

(No. 328. Confidential.)
Sir, *Constantinople, April* 19, 1913.

WITH reference to my despatch No. 177 of the 2nd March last, I have the honour to report that I am in receipt of a telegram from His Majesty's consul-general at Bagdad in which he sets forth certain views suggested by the above-mentioned despatch, copy of which was communicated to him.

Mr. Lorimer considers that the formation of a navigation "combine" is greatly to be deprecated, first, because a monopoly would be most prejudicial to trade, and, secondly, because British interests would probably become absorbed, while it is not unlikely that the combine would oppose very influential resistance to any Bagdad–Basra Railway.

It is in the interest of the Germans, Mr. Lorimer continues, to keep the communication between Bagdad and Basra inferior to that with Aleppo, and to the interest of Lynch to prevent the realisation of the Basra Railway scheme, while the interests of the country and trade generally demand the construction of the Basra line as soon as possible, and the opening in the meanwhile of the Tigris, like the Karun, to international navigation.

I have, &c.
GERARD LOWTHER.

[19151] No. 79.

Sir G. Lowther to Sir Edward Grey.—(Received April 26.)

(No. 329.)
Sir, *Constantinople, April* 19, 1913.

WITH reference to my despatch No. 308 of the 14th instant, I have the honour to report that on the 16th April I received a telegram from His Majesty's vice-consul at Adana stating that disturbances involving the intervention of the gendarmerie had occurred at Hadjin on the previous day, and that, although they were apparently not of a serious nature, the Christians throughout the district were very nervous. Mr. Matthews added that, in his opinion, the authorities would do well to endeavour to avoid any incidents, and to refrain from exercising any form of pressure on the Armenian population of these regions.

In a conversation with the Grand Vizier on the 17th instant, Mr. Fitzmaurice took the opportunity of mentioning the matter, and reminded his Highness that the tragic events at Adana in April 1909 had naturally left traces, with the result that what might be called "an exaggerated frame of mind" existed on both sides, Moslem as well as Christian. It would therefore seem essential that the local authorities should be "prudent" in the treatment of any incident that might arise, and be careful not to be guided by any feeling of undue suspicion.

The Grand Vizier replied that there were two battalions of troops in the district. He took notice of Mr. Fitzmaurice's remarks, and said that he would speak to the Minister of the Interior and request him to see that the Adana authorities should exercise great care in any matters likely to affect the public security.

I have, &c.
GERARD LOWTHER.

[19319] No. 80.

Sir G. Lowther to Sir Edward Grey.—(Received April 28.)

(No. 332.)
Sir, *Constantinople, April* 21, 1913.

I HAVE occasion from time to time to report on the nationalist unrest in the Arab provinces of the Ottoman Empire—an unrest which has in great part been generated by the turcification methods of the Committee of Union and Progress during the last four years. That unrest has of late been assuming serious proportions, and the present Committee Government has decided to do a *volte-face* by adopting the policy of decentralisation of its opponents, the "Entente Liberale" Party of Prince Sebaheddin and others, and to allow the use of Arabic in the schools, Courts, &c., in the provinces of Jerusalem, Syria, Aleppo, Basra, Bagdad, and Mosul.

The Ministerial decree sanctioned by Imperial iradé provides that, in places where the great majority of the inhabitants speak Arabic, the local authorities shall accept petitions in that language; for the printing in Arabic of official proclamations; the use of Arabic in the different Law Courts, and as the medium of instruction in primary and secondary schools, as also in the gymnasia (idadi) of Sanjaks, with the proviso

that the teaching of Turkish shall be obligatory in all these schools. History and geography are also to be taught in Turkish, while the latter is to be the medium of instruction in the gymnasia (idadi schools) in the vilayet centres. Literature and Islamic history would be taught in Arabic.

These concessions to Arab nationalist sentiment are, no doubt, wise, but it is to be feared that the Arab populations, who distrust the Committee of Union and Progress, will have no confidence in its desire and ability loyally to execute these new decrees, and that Arab discontent will continue to grow.

It is also not unlikely that the Kurds and Armenians will agitate for, and insist on, the grant of similar concessions for their languages, though Kurdish, like Albanian, is in a distinctly backward state of development.

All these tendencies denote a process of disintegration of the Turkish State and the Empire known as "Turkey." As long as the Committee of Union and Progress remains in power, this anti-Turkish process would seem likely to grow until Turkey proper is reduced to the western half of Asia Minor.

I have the honour to enclose an article from the "Tanin" on the Arab language, by Ismail Hakki Babanzade. As he was the author of three very violent anti-Arab articles in the same paper in the spring of 1911, the Arabs are not likely to put faith in the sincerity of his present utterances or the policy of those who inspire them.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 80.

Summary of Ismail Hakki Babanzade's Leading Article in the "Tanin."
April 21, 1913.

ARABIC AND REFORMS.

THAT the Government has entered seriously upon the path of reform is proved by its action with regard to the Arabic language. In point of fact, no one could possibly have any dread of Arabic. We cannot imagine anyone who would not rather desire the dissemination of Arabic as widely as possible, even in non-Arab districts.

How could it be that Turkey, a Moslem State, ever had an aversion for Arabic, its religious language? Was it not realised that hostility to Arabic meant hostility to Islam? We love Arabic as the language of the Koran and of the Prophet; we love it because Moslem civilisation and Arabic can never be separated, and to be displeased with Arabic is to trample upon thirteen centuries of learning and civilisation. One thing is certain: Arabic is more widespread and has more vitality than any other language of Islam. In denying the claims of Arabic, a Turk, a Persian—even a Javanese—wipes out his own civilisation, his own past.

Another reason for our love of Arabic is the fact that it is the international language for all Moslem peoples. While the West is busy inventing Volapük and Esperanto, the East has in Arabic an Esperanto ready to hand. All that is wanted is the capacity and brains to make use of it. A common tongue means common sentiments. Alas! that the peoples of Islam should have failed to recognise the power this weapon would have to unite them in sentiment and effort and to strengthen and consolidate Islam. Arabic has now reached a point at which it does not serve as a means of communication, not merely between Moslem races in general, but even between the Arabs themselves. It has become difficult for an Arab of Morocco to understand an Arab of Irak. It is necessary, therefore, to bring about conformity between the written and the spoken language and to make the written language the international tongue, and not only Arabs, but all Moslems, ought to serve this noble object.

It is true that the Ottoman Government has been lacking in its efforts to spread Arabic, but it has been guilty of the same fault with regard to Turkish, and, in fact, with regard to all the duties enjoined by religion and civilisation. The disease is general, and it must be admitted that the whole Ottoman and Moslem organism is affected by it and responsible for it.

The Ottoman Government has taken a step in the right direction, but in our opinion that step must be followed by others. Great attention must be paid to Arabic,

not only in Arab-speaking districts, but also in districts where Arabic is not spoken. The Government should do this, not as ruler of a few million Arabs, but as a Moslem State. Arabic is taught to-day in the public schools, but the instruction given is on a small scale and defective even in that scale. Reforms in the teaching of Arabic are indispensable. By that means fruitful efforts will be made for the advantage of Ottomanism and of the Caliphate of Islam.

[19154] No. 81.

Sir G. Lowther to Sir Edward Grey.—(Received April 26.)

(No. 324.)
Sir, *Constantinople, April* 22, 1913.

WITH reference to my recent despatches concerning the situation in the Armenian provinces, I have the honour to report that, during the last week, news has reached the capital of incidents having occurred in several localities, *e.g.*, Hajin (Vilayet of Adana), Diarbekir, Bitlis, and Erzinjian in the Vilayet of Erzeroum.

At Erzinjian, according to the official account, a violent explosion took place in the house of an Armenian called Kazanjian, and an examination of the premises showed that the proprietor with two other Armenians had been blown to pieces, while a bomb, ten hand-grenades and apparatus for the manufacture of explosives were also discovered. The local authorities with the co-operation of the Armenian bishop and notables, are reported to have taken the needful measures to prevent an outbreak against the Armenian community. The incident has naturally created a certain stir. The Tashnagh and Henchag Armenian leaders in the capital have publicly stated that their organisations have no knowledge of the affair, and declare that Kazanjian and the others connected with it must have been preparing the bombs, hand-grenades, &c., for defensive purposes in view of the insecurity prevailing in Eastern Anatolia. The Armenian Patriarch has telegraphed to his subordinate at Erzinjian for a report which he is still awaiting.

The "Tanin" and the Armenian papers in the capital take the view that the incident illustrates the urgent necessity for introducing in the eastern provinces radical reforms of a nature to remedy discontent and remove any incentive for recourse by the local population to such violent methods of offence or defence.

The "Tanin," while remarking that the prolonged state of war has hindered the applications of reforms to the provinces inhabited by Armenians and Kurds, the latter of whom "suffer as much as the Armenians from the lack of roads, schools and security," expresses the hope that the Government will introduce serious reforms and will give security and confidence to both parties. If this is done the bomb factories will probably go bankrupt for lack of customers.

The present Government has announced the intention of sending a commission presided over by Hairi Bey, committee deputy for Nigdeh in the Konieh Vilayet and accompanied by two Armenian judicial functionaries. The invetorate distrust in the efficacy of "reforms" has so far prevented the latter from consenting to form part of the commission.

I have, &c.
GERARD LOWTHER.

[19208] No. 82.

Tewfik Pasha to Sir Edward Grey.—(Received April 26.)

L'AMBASSADEUR de Turquie présente ses compliments à Sir E. Grey, et a l'honneur de lui exposer ce qui suit: Comme son Excellence ne l'ignore pas, le Gouvernement Impérial, ardemment désireux d'introduire dans tout l'Empire des réformes tendant à relever le niveau moral et matériel de ses nationaux sans distinction de race ni de religion, avait depuis longtemps déjà mis à l'étude un projet de loi arrêtant les dispositions qu'il conviendrait de prendre pour atteindre ce but. C'est guidé par cet esprit qu'il avait en, son temps approché le Gouvernement de Sa Majesté britannique avec la prière de vouloir bien l'aider dans l'accomplissement de cette tâche en lui prêtant le concours de spécialistes anglais, et avait obtenu son consentement en principe.

[PUBLIC RECORD OFFICE, LONDON]

Les événements de ces temps derniers avaient malheureusement retardé l'application des mesures et dispositions jugées les plus appropriées à la réalisation des réformes nécessaires.

Une période de calme et de paix s'annonçant très prochainement, le Gouvernement Impérial, pénétré de l'utilité qu'il y aurait d'aviser le plus tôt possible à la mise en vigueur des mesures et dispositions dont il s'agit, vient réitérer au Gouvernement de Sa Majesté britannique la prière de lui prêter le concours promis.

La nouvelle loi sur les vilayets élaborée dans cette intention, et sanctionnée par Iradé Impérial, définit les devoirs et attributions des autorités et fonctionnaires appelés à l'exécuter et leur accorde une large liberté d'action et d'initiative. Mais afin d'assurer son application d'une façon effective et rationnelle, le Gouvernement Impérial a jugé utile d'établir dans l'Empire des secteurs dans lesquels seront compris, suivant les besoins et les convenances, trois ou quatre vilayets. A la tête de chacun de ces secteurs sera placé un inspecteur général ainsi qu'un nombre adéquat d'inspecteurs ayant pour mission de veiller à l'application intégrale des dispositions de la nouvelle loi.

En vue d'éviter toute perte de temps, il a été en même temps décidé de procéder avant tout et aussi promptement que possible à la mise en vigueur de cette loi dans le secteur de l'Anatolie orientale comprenant les vilayets de Van, Bitlis, Mamouret-ul-Aziz et Diarbékir, et dans celui de l'Anatolie septentrionale englobant les vilayets d'Erzeroum, Sivas et Trébizonde.

Ces réformes seront étendues ensuite, au fur et à mesure, dans les autres points de l'Empire.

Une des réformes qui s'impose avec le plus d'urgence étant l'organisation d'une gendarmerie, le Gouvernement Impérial est désireux d'engager pour chaque corps de gendarmerie un commandant anglais.

A chacun des inspecteurs généraux à désigner pour les deux susdits secteurs, seront adjoints aussi un inspecteur de gendarmerie, un inspecteur de justice et un inspecteur d'agriculture, forêts et travaux publics. Ces inspecteurs seront engagés parmi des spécialistes anglais recommandés par le Gouvernement de Sa Majesté britannique. Le Gouvernement Impérial désignera en outre à l'administration centrale du Ministère de l'Intérieur deux personnalités anglaises, l'une en qualité de conseiller et l'autre d'inspecteur général.

En portant ce qui précède à la connaissance de Sir E. Grey, Tevfik Pacha a l'honneur d'ajouter que son Gouvernement laisse au Gouvernement de Sa Majesté britannique le soin de fixer le montant des traitements à allouer à chacun de ces fonctionnaires lorsqu'il lui plaira de lui faire connaître les noms et qualités des personnalités qu'il jugera aptes à remplir avantageusement les fonctions qui devront leur être respectivement attribuées.

Ainsi que son Excellence voudra bien le constater, le Gouvernement Impérial, en prenant les dispositions susvisées, ne fait d'ailleurs que se conformer à l'esprit des dispositions de la Convention de Chypre.

Ambassade Impériale ottomane, Londres,
le 24 avril, 1913.

Annexe 1.

Attributions des Fonctionnaires anglais engagés par le Gouvernement Impérial.

Ces attributions s'étendront au domaine de l'application pratique et, pour stimuler leur zèle, le Gouvernement Impérial ne manquera pas de leur laisser de larges attributions et le droit d'initiative.

Les officiers de gendarmerie à désigner seront chargés du commandement effectif des corps de gendarmerie ; il serait, par conséquent, avantageux que ces officiers soient choisis de préférence parmi des personnalités connaissant les habitudes et les besoins de l'Orient.

Les inspecteurs de justice, gendarmerie, travaux publics et agriculture qui seront désignés pour chacune des circonscriptions administratives de l'est et du nord de l'Anatolie, seront placés sous les ordres d'un inspecteur général pour chacune de ces circonscriptions et auront pour mission l'inspection des services ci-haut mentionnés. Ils rapporteront à leur inspecteur général respectif les améliorations qu'ils jugeront nécessaires dans les services défectueux.

Un inspecteur général pour l'administration centrale du Ministère de l'Intérieur sera l'autorité supérieure de laquelle dépendront tous les inspecteurs civils des provinces. Cet inspecteur général aura la mission de former les cadres et de régler les travaux de ces inspecteurs. Il sera également chargé d'étudier et d'analyser les rapports qui parviendront des provinces et de soumettre au Ministre le résultat de son analyse ainsi que ses observations personnelles. Il fera aussi des tournées d'inspection dans les provinces toutes les fois que le Ministre le jugera nécessaire, en vue d'inspecter personnellement les services civils et soumettre au Ministre un rapport renfermant ses observations.

Le conseiller anglais au Ministère de l'Intérieur sera également chargé de prêter sa collaboration au Ministre dans l'élaboration des projets de loi et la réorganisation des services administratifs généraux.

Annexe 2.

Nombre et Attributions des Fonctionnaires anglais à engager.

1. Un conseiller pour le Ministère de l'Intérieur.
2. Un inspecteur général pour le Ministère de l'Intérieur.
3. Deux inspecteurs de gendarmerie pour dépendre chacun des deux inspecteurs généraux ottomans placés chacun à la tête des deux secteurs de l'Anatolie.
4. Deux inspecteurs de justice.
5. Deux inspecteurs d'agriculture et forêts.
6. Deux inspecteurs de travaux publics.
7. Sept officiers de gendarmerie anglais pour commander les sept corps de gendarmerie de chacun des vilayets qui composent les deux secteurs déjà mentionnés.

[19242] No. 83.

Board of Trade to Foreign Office.—(Received April 26.)

(Confidential.)

Sir, *Board of Trade, April 25*, 1913.

I AM directed by the Board of Trade to refer to your letters of the 9th and 17th April, with their enclosures, relative to the possible absorption of the Euphrates and Tigris Steam Navigation Company, in an international transport company representing Turkish, British, and German interests, and to offer the following observations thereon for Sir E. Grey's consideration :—

The maintenance of an efficient river service between Basra and Bagdad is, in the opinion of the Board, of the utmost importance to British trade, and they think that every effort should be made to prevent the existing services from passing under the control of interests concerned in the Bagdad Railway, since such control might be used to put an end to river competition when the southern section of the railway has been completed. The Board recognise, however, that it would probably be difficult for the Euphrates and Tigris Company permanently to refuse to enter into the suggested international company, should the scheme be pressed by the Turkish Government ; and further that, should such a company be constituted, it might be commercially impracticable for competition with it to be maintained by means of the three additional British steamers which the Turkish Government have been asked to sanction.

In all the circumstances, and in view of the fact that the interests concerned in the general navigation of the Tigris and Euphrates are mainly British and Turkish, whilst the rights of the Bagdad Railway Company in respect of river navigation are only of a limited and temporary character, the Board are disposed to think that the best course to be adopted would be the conclusion with the Turkish Government of an arrangement for the establishment of an Anglo-Ottoman company for river navigation, which should endeavour to acquire the rights of present concessionaires, and (subject to such existing rights as might not be acquired) should have the exclusive privilege of navigation upon the Tigris and Euphrates Rivers for a prescribed period. They have accordingly caused the enclosed draft (A) of an agreement on these lines to be prepared, and I am to suggest that, should Sir E. Grey concur in the proposed policy, the draft should be communicated to the Turkish Government.

In this connection I am to refer also to your letter of the 12th April, and to state that they have given careful consideration to the Turkish counter-draft (communicated

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by Hakki Pasha) of the proposed railway convention for Asiatic Turkey. Whilst the counter-draft as it stands appears inacceptable, as not sufficiently safeguarding British interests, the Board are disposed to think that it offers the basis of an arrangement, and I am accordingly to forward to you herewith a revised draft (B) which they have caused to be prepared, and to suggest that, subject to Sir E. Grey's concurrence, it should be communicated to Hakki Pasha.

I am, &c.
H. LLEWELLYN SMITH.

Enclosure 1 in No. 83.

Draft Agreement.

(A.)

ARTICLE 1.

THE Imperial Ottoman Government agree to grant a concession to an Ottoman company, to be formed in accordance with this convention, for the purpose of navigation by means of steamships on the Tigris and Euphrates Rivers.

ARTICLE 2.

The expression "steamships" includes vessels propelled by electrical or other motive power.

ARTICLE 3.

The company shall be controlled by a board of directors consisting half of Ottoman subjects and half of British subjects, approved by their respective Governments. During the first five years the chairman shall be a British subject approved by the Imperial Ottoman Government. Thereafter the chairman shall be elected annually by and from the Ottoman and British groups of directors in alternate years, subject always to the approval of the other group. The chairman, besides his ordinary vote, shall have a casting vote.

ARTICLE 4.

Subject to the provisions of this convention and to the rights of existing holders of concessions, the company shall have the sole right of navigating the Tigris or Euphrates by means of steamships.

ARTICLE 5.

The company shall endeavour to come to terms with the Imperial Ottoman Government, and with the holders of any concession from that Government for the navigation of the Tigris or Euphrates, for the acquisition of their interests in such navigation on equitable terms.

ARTICLE 6.

All vessels placed on the river by the company shall fly the Ottoman flag, except the vessels now running under the British flag and any vessels in renewal or in substitution thereof which shall continue to fly the British flag.

ARTICLE 7.

The statutes of the company, together with the "cahier des charges" regulating the minimum service to be maintained, the maximum charges to be levied, and other matters appertaining to the services to be provided, shall be subject to the approval of the two Governments.

ARTICLE 8.

The Imperial Ottoman Government will not impose any maximum limit on the number of steamships to be employed by the company.

ARTICLE 9.

It is understood that this convention relates to commercial navigation only, and not to navigation by warships or vessels owned or chartered by the Imperial Government for the transport of troops or military stores. It is also understood that nothing in the convention shall apply to any concession already granted to the Bagdad Railway Company with regard to the importation of materials and stores for the purpose of the construction of the railway.

ARTICLE 10.

This convention shall remain in force for a period of fifty years, and thereafter for successive periods of ten years, unless notice of termination shall have been given by either of the (contracting) Governments not more than twelve and not less than six months before the close of any such period.

ARTICLE 11.

Any difference as to the interpretation or carrying out of this convention shall, unless settled to the satisfaction of the two Governments within three months, be referred on the demand of either Government for determination to the International Court of Arbitration at The Hague.

Additional Article.

[The Imperial Ottoman Government reserve the right at any time after the expiration of twenty years, on twelve months' notice, to throw open the navigation of the Euphrates or Tigris to foreign vessels of all nations, subject to the payment to the company of such compensation as in default of agreement shall be fixed by arbitration, but if after exercising this right the Imperial Government shall grant any privileges as regards the navigation by steamships on either of these rivers to any person or body, such privileges shall be unconditionally enjoyed by British steamships generally.]

Enclosure 2 in No. 83.

Revised Draft Agreement.

(B.)

ARTICLE 1.

THE Imperial Government undertake that the Bagdad Railway Company shall apply precisely the same régime both as regards charges and facilities to the transport of goods of the same category offered for carriage by rail between the same points and under like conditions whatever may be—

(*a.*) The country of origin of goods imported into Turkey; or
(*b.*) The country of destination of goods exported from Turkey; or
(*c.*) The country of origin and of destination of goods passing in transit through Turkey; or
(*d.*) The nationality or ownership of the vessels on which the goods are carried to or from Turkish ports.

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ARTICLE 2.

The Imperial Government undertake that the Bagdad Railway Company shall not conclude with any shipping company or owner of a ship serving one or more ports (whether maritime or river) on its system any special arrangement relating to any category of goods imported or exported by these ports unless this arrangement shall be made unreservedly applicable under like conditions to all other shipping companies or owners of ships importing or exporting goods of the same category by the same ports.

ARTICLE 3.

For the purpose of this convention, the expression "like conditions" means like conditions as regards weight, packing, and speed ("grande vitesse," "petite vitesse," or otherwise).

ARTICLE 4.

In the event of British trade suffering unfair discrimination on any railway to which this convention applies, in some matter not expressly mentioned in the preceding articles, as for example the lack of proper facilities for through traffic, or the favouring or penalising of traffic carried by a particular route, His Britannic Majesty's Government reserve the right to make representations to the Imperial Government, who shall take the necessary steps to remedy the grievance.

ARTICLE 5.

The provisions of this convention are not applicable to the transport of soldiers, sailors, and civilians, and military, naval, and civil stores carried on behalf of the Ottoman Government, or to the transport of materials for the construction of public works.

ARTICLE 6.

Nothing in this convention shall be construed as prohibiting a distinction being made between the rates of charge applicable to—

(*a.*) Local traffic; and
(*b.*) Import, export, and transit trade.

ARTICLE 7.

The provisions of this convention shall, so far as applicable, extend to the régime applied by the railway company to the carriage of passengers and their baggage entering, leaving, or passing through Turkey, but they shall not apply to the (local) transport of "émigrés"* and poor persons.

ARTICLE 8.

The Imperial Government guarantees that, in the event of any other railway being constructed in Asiatic Turkey connecting with the Bagdad Railway, the provisions of this convention shall apply to such railway as though it were part of the Bagdad Railway.

ARTICLE 9.

Any difference as to the interpretation or carrying out of this convention shall, unless settled to the satisfaction of the two Governments within three months, be referred on the demand of either Government for determination to the International Court of Arbitration at The Hague.

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* Definition of "émigrés" to be supplied by Hak'i Pasha.

[19242] No. 84.

Foreign Office to Euphrates and Tigris Steam Navigation Company.

Sir, *Foreign Office, April 26, 1913.*

WITH reference to the letter from this Office of the 17th instant, relative to the future of navigation on the Euphrates and Tigris, I am directed by Secretary Sir E. Grey to inform you that the questions raised by your letter of the 11th instant on this subject are receiving the careful consideration of His Majesty's Government, and that, they hope shortly to be in a position to make a proposal to you on the subject.

They hope that you will take no steps which could in any way commit you pending a further communication.

I am, &c.
LOUIS MALLET.

[19321] No. 85.

Sir G. Lowther to Sir Edward Grey.—(Received April 28.)

(No. 336.)

Sir, *Constantinople, April 24, 1913.*

IN conversation to-day with the Grand Vizier I endeavoured to elicit some further information as to the alleged contract which he gave me to understand on the 14th instant had been concluded between the German company and the Ministry of Finance subsequent to the transfer of the rights of the Civil List to the Ministry of Finance after the promulgation of the Constitution, and I asked him whether it would be possible to see this contract.

The Grand Vizier immediately qualified his previous statement, and said that he had not intended to say that there had been a new contract, but that the transfer of the concession given by the Civil List was *ipso facto* carried over to the Ministries under the new arrangement and amounted to a new contract. I observed that under the mining regulations then in force the grant of a general concession for petroleum springs in the vilayet of Bagdad and Mosul would not be in conformity with the law. His Highness replied that this might be so, but that the Government under the Constitution had been compelled to confirm a great many illegalities, and it would have been impossible for them to cancel such contracts.

His Highness then again urged very strongly the advisability of bringing about a combination of the rival interests as being the only way of solving the difficulties by which he found himself surrounded in his desire to fulfil the engagements to which the Ottoman Government was bound and to gratify His Majesty's Government in granting some concession to Messrs. D'Arcy.

His Highness said that in this combination he would be prepared to see that the preponderating share should be British. I asked him how he would guarantee this, to which he replied that he would leave this to His Majesty's Government who would have to see that the controlling share was British and could take its precautions that it should remain British. His Highness begged me urgently to lay this consideration before you.

I have, &c.
GERARD LOWTHER.

[19324] No. 86.

Sir G. Lowther to Sir Edward Grey.—(Received April 28.)

(No. 339.)

Sir, *Constantinople, April 22, 1913.*

IN pursuance of the instructions contained in your despatch No. 99 of the 8th instant, I made an unofficial communication to the Ottoman Minister for Foreign Affairs regarding the danger to the Christian population of Asia Minor which might be expected to follow the return of the troops from the war.

His Highness begged me to convey his thanks to you for this unofficial communication, and added that he could assure you that when the troops were sent back to Asia Minor no disorders would occur.

I at the same time informed his Highness that, on the strength of reports from various sources of atrocities committed on Moslems by subjects of the allied Balkan States, His Majesty's Government had on several occasions made unofficial representations to the Governments of the nations concerned.

His Highness begged me to convey to you his thanks for this communication.

I have, &c.

GERARD LOWTHER.

[19325] No. 87.

Sir G. Lowther to Sir Edward Grey.—(Received April 28.)

(No. 340.)

Sir, *Constantinople, April 24, 1913.*

WITH reference to my despatch No. 214 of the 18th ultimo, I have the honour to forward herewith a despatch from His Majesty's vice-consul at Adana reporting on the progress of the work on the Bagdad Railway.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 87.

Vice-Consul Matthews to Sir G. Lowther.

(No. 17.)

Sir, *Adana, April 17, 1913.*

WITH reference to my despatch No. 12 of the 12th ultimo, reporting that work on the Bagdad Railway had been in a large measure suspended, I have the honour to report to your Excellency that little is being done on the Taurus tunnels, but that work on the Amanus tunnel is proceeding as usual. Work is also proceeding on the branch line from Toprak Kuleh to Alexandretta, which has been laid as far as Deurtyol, and which the constructors hope will be ready for traffic in October next.

I have, &c.

W. D. W. MATTHEWS.

[19326] No. 88.

Sir G. Lowther to Sir Edward Grey.—(Received April 28.)

(No. 341.)

Sir, *Constantinople, April 24, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's consul at Jerusalem on the subject of the reform movement in the sanjak of Jerusalem.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 88.

Consul McGregor to Sir G. Lowther.

(No. 35.)

Sir, *Jerusalem, April 12, 1913.*

THE movement in favour of administrative reform on a basis of decentralisation which has made considerable progress in Syria has now begun to attract public attention in the sanjak of Jerusalem, and the first manifestation of interest in the question was the presentation by the president of the municipality to the Governor a few days ago of a telegram signed by various notables of Gaza, including the deputy for that town, and endorsed by about sixty prominent men of various creeds in Jerusalem, requesting that they should be allowed to participate in the discussion of measures similar to those advocated by the Beirout Congress. I understand that the demands put forward in

the Gaza telegram are less far-reaching than those formulated at Beirout, and that hitherto there has been no scheme for concerted action by the population of the two provinces. The reform movement in this sanjak does not seem to be either widespread or enthusiastic, and the reasons of this lukewarmness are not far to seek, as the majority of the population has lost all faith in the possibility of any good thing coming out of Constantinople, and eventual annexation to Egypt seems hitherto to have been regarded as inevitable even by those who desire it least; while important sections of the population, such as the Jews and many of the Bedouin tribes in the frontier district, profess an eager desire to see the end of Turkish rule.

Now, however, a small section of the population, representing chiefly the wealthier Moslem notables, seems to have been attracted by the idea of Arab local autonomy, and even at Jaffa, which has apparently grown tired of expecting the disembarkment of an Egyptian army, a movement in favour of reform has lately become perceptible, a small group headed by Hafiz Bey, ex-deputy for the town, having telegraphed in that sense to the Grand Vizier, while another group, composed mainly of Unionists and led by the notoriously corrupt president of the municipality, Omar Baitar, has telegraphed that the inhabitants of Jaffa are quite content with things as they are.

It is difficult to take any of the manifestations very seriously as yet, because the majority, even of the most enlightened natives in this country, display a striking incapacity for understanding or discussing political problems, and the flightiness and superficiality which are among their most distinctive characteristics, forbid the idea of their displaying any steadfastness in working for an ideal. Nor is there the least reason for believing that they are prepared to run any personal risk in the process.

Discontent with the present maladministration is, however, universal, and it is a significant fact that among the Moslem "fellah" population, which might have been supposed to be least accessible to new ideas, a movement of emigration has set in which during the last few months has increased so much that at the present time an average of 100 men from Jerusalem and the Judæan hill-country leave here every week for North and South America. Many of these are impelled to do so by dread of military service, but the majority are driven out by the abuses of the tax-collector, and the encouraging reports received from those already settled in America are inducing relatives and friends to follow their example.

To return to the question of reform, the Governor of Jerusalem, on receiving the demand of the Gaza and Jerusalem notables, replied that, as a new law for the vilayets embodying this desiderata had been elaborated at Constantinople, and had, in fact, already been mailed to him, he advised the deputation to defer action until they had been acquainted with the terms of the measure.

A few days later the president of the municipality, Husein Effendi Husseini, who is credited with strong private opinions in favour of radical reform on Arab racial lines, summoned a large number of notables in order to give greater publicity to the Governor's message. The invitation was responded to by about thirty persons, mostly Moslems, who expressed dissatisfaction with the communication made to them, and were proceeding, amid acrimonious personalities, to insist in discussing the general subject of reform, when Hussein Effendi put an end to the proceedings by declaring that no such discussion had been authorised.

It is now generally understood that the Central Government has determined to listen to no proposals going beyond the provisions of the new law, and that any attempt to found a reform club similar to that existing at Beirout will be checked by the authorities as being contrary to the laws of the Empire. The text of the Government reform scheme is not yet known, but the opinion of those interested is that it will prove to fall far short of what is locally considered as a desirable minimum, and it is feared that any measures in the direction of decentralisation will be nullified by the influx of Turkish and Albanian officials from the European provinces, whose influence will be successfully placed in the side against Arab nationalist tendencies.

I have had an opportunity of discussing the matter with a prominent and well educated exponent of the reform movement, and found that he was decidedly pessimistic regarding the likelihood of the present Government conceding the desired amount of local autonomy or sanctioning the employment of a sufficient number of foreign officials invested with the executive authority indispensable to ensure the regeneration of these provinces. He said that he did not believe his fellow-countrymen possessed the grit necessary for compelling the acquiescence of the Government in their demands, and the fact that the Beirout committee had set to work without any sort of understanding with the inhabitants of Palestine, spoke ill for their capacity for organisation. He was of opinion that the Turkish Government was now at the crossways with regard to the

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future stability of Ottoman rule here, and that, failing an unreserved grant of local autonomy under foreign supervision, there remained no other solution of the problem than annexation by a foreign Power.

I have, &c.
P. J. C. McGREGOR.

[19328] No. 89.

Sir G. Lowther to Sir Edward Grey.—(Received April 28.)

(No. 313. Confidential.)
Sir, *Constantinople, April 24, 1913.*

I HAVE the honour to transmit a despatch, No. 16 of the 16th April, from His Majesty's vice-consul at Adana, reporting on the somewhat critical situation in that district. The general tenour of this report is confirmed by a report from the Armenian Catholicos of Sis addressed to the Armenian Patriarch here, a translation of which is herewith enclosed.

With regard to the statement in the penultimate paragraph of Mr. Matthews's despatch, to the effect that a belief is entertained in some local Moslem quarters that Germany would not be displeased if serious disorders occurred in Cilicia, it would appear that some Armenians, remembering the projects for buying up the lands of Armenians massacred in April 1909 in connection with foreign colonisation schemes, are also inclined to believe that disorders in Cilicia would not be unwelcome to certain unofficial German agents. The projects of German colonisation in districts close to the Bagdad Railway are not forgotten, and many Armenians believe or fancy that Cilicia may become "the Kiachiuou of Turkey."

The "Osmanischer Lloyd," a new-régime German organ in this capital, has lately begun to advocate the introduction of reforms in the Eastern Anatolian provinces inhabited by the Armenians. This coincides with statements recently made by German agents here to Armenians, to the effect that Germany will see to it that the reforms guaranteed in 1878 by the Treaty of Berlin and the Cyprus Convention are now carried out. As the advocacy of these reforms by Germany is potentially an anti-Russian move, and as the Armenians only met with massacre and disaster from the old antagonism in the matter between England and Russia, Armenians are suspicious of these German advances.

With reference to the recent reported application of the present Turkish Cabinet to His Majesty's Government for the loan of British administrative inspectors, &c., for the Asia Minor provinces, it is stated here that this action has been prompted or approved by Germany. In the autumn of 1912, when the Cabinet of Ghazi Mukhtar Pasha had made similar proposals for Macedonia, Gabriel Effendi, the Minister for Foreign Affairs, stated that a foreign Ambassador (presumably the Austrian) asked him rather pertinently whether "a monopoly was to be given to England" in the matter. It is not impossible that a similar scheme would be similarly looked upon by Russia in as far as the Eastern Anatolian provinces are concerned, while France might also have the same feelings about Syria. Like objections would not seem to apply to Western Asia Minor and Mesopotamia.

It is, however, a moot point whether, like in Persia, the process of administrative disintegration in the outlying non-Turkish provinces has not gone too far for any exotic remedy of this kind to be any longer availing; and it is, perhaps, only after the definite conclusion of peace with the Balkan allies that it will be possible to form a more definite opinion on the subject.

I have, &c.
GERARD LOWTHER.

Enclosure 1 in No. 89.

Vice-Consul Matthews to Sir G. Lowther.

(No. 16.)
Sir, *Adana, April 16, 1913.*

I HAVE the honour to report, for your Excellency's information, that the situation in this district is unsatisfactory, something approaching a panic existing in the town and the northern portion of the province.

The following occurrences may partly account for this undesirable state of affairs: Some ten days ago an Armenian muleteer ("katirji"), named Moses Kozan-oghlu, was shot dead near the village of Tashdan-oghlu, in the caza of Bagheheh, and mutilated by a party of Moslems, who cut off his nose and carved a cross on his forehead. Reliable reports from Bagheheh and Osmanieh describe the Moslems as being in a nasty, suspicious mood. The corporal ("onbashi") of gendarmes at Hatchbil, on the boundary between the kazas of Bagheheh and Marash, is reported to have stated that the Moslems of those districts were arming for an attack upon the Armenians. According to telegrams from Hajin, disturbances occurred there yesterday, in the course of which gendarmes intervened with fixed bayonets, and the situation is dangerous. I have drawn the vali's attention to the situation at Hajin, and have requested him to take all measures to maintain tranquillity, paying especial attention to the protection of British subjects and property. The vali, who is confined to his bed with illness, states that he has telegraphed to Hajin in the sense desired, and that he has instructed the local authorities to do all they can to reassure the population. Many local Christians have been advised by their Moslem neighbours not to spend Easter in the country, "as something may happen." In consequence, various petty tradesmen and labourers are afraid to make their customary visits to surrounding villages.

Yakub Jemil, the delegate of the Committee of Union and Progress, referred to in my despatch No. 14 of the 29th ultimo, is well known here, having taken a prominent part in the organisation of the Committee fedais in 1909 and 1910. He and his desperadoes took a leading part in the well-known case of the Italian girl who was married or abducted in 1911 by a Moslem gendarme, insisting that the girl should not be delivered by the Government to the Italian authorities. When war broke out with Italy he left Adana for Tripoli, but is stated never to have got beyond Alexandria. Since his return here he has visited Missis, Osmanieh, and Sis. It is reported from several reliable sources that three men, two of whom are stated to be Turkish officers, have been touring the villages in the neighbourhood of Hajin and Sis during the past fortnight. The report is insistent that the tours of these three men and of Yakub Jemil have been undertaken with the object of stirring up the Moslems to attack those Armenian centres that escaped in 1909. I find it difficult to believe this, although irritation exists in Turkish circles that the Armenians should even think of reforms. It is believed in some quarters that Germany would not be displeased if serious disorders occurred in Cilicia, and responsible Moslems, in particular, being of this opinion, desire no repetition of the events of 1909.

I respectfully submit that in their own interest the authorities should use their best endeavours to maintain public tranquillity, abstaining from pressure, or any semblance of pressure, upon the Christians of this district.

I have, &c.
W. D. W. MATTHEWS.

Enclosure 2 in No. 89.

Adana, les 2 et 4 avril, 1913.

LE 20 mars, deux militaires déguisés arrivent à Sis et s'entretiennent secrètement, pendant une heure, avec le Gouverneur. On croit que lesdits individus habillés en civil sont des comitadjis militaires, lesquels, conduits par le fameux comitadji Mafidji Suleïman, ont poursuivi leur chemin jusqu'à Hunam-Keui, où ils ont passé la nuit. Éloignant de là deux Arméniens qui s'y trouvaient, ils ont rassemblé des Turcs et ont prononcé des discours.

Le lendemain, Mafidji Suleïman est returné à Adana et s'y est entretenu avec deux Turcs fanatiques, lesquels, le lendemain, 27 mars, sont, jusqu'à midi et sans ouvrir leur porte, restés chez eux, où ils ont reçu la visite de Turcs, avec lesquels ils ont tenu conseil. Le même jour, dans l'après-midi, un hodja, ayant tenu dans le marché des propos subversifs et susceptibles de provoquer la mésentente, a été arrêté par le commissaire de police et imprisonné.

D'autre part, les faits suivants se sont passés à Sis:—

A Maï-Ghézir, dont le quart des habitants a été massacré au cours des événements précédents, une femme musulmane conseille à un étameur arménien de prendre ses effets et de s'éloigner, lui déclarant que les faits d'il y a quatre ans vont se renouveler, et que l'on a commencé à coller des placards dans les villages. L'étameur se réfugie à Sis.

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Alors qu'un vieux badigeonneur catholique de Hadjine était en train de badigeonner, un enfant musulman accompagnant sa mère lui dit : "Nous massacrerons ces giaours." Sur quoi la mère gronde son fils.

Le soir de 20 mars, le commissaire de police de Sis a affirmé qu'un certain nombre de villageois sont venus annoncer au pacha qu'ils viendraient en foule massacrer et piller. Le pacha les aurait chassés.

Depuis quelques jours les musulmans, en sortant de la mosquée, au lieu d'aller, comme à l'ordinaire, au café, se réunissent en des lieux écartés et tiennent des conciliabules. Des inconnus continuent à visiter clandestinement les villages. Leurs chefs sont Yaghoub Djémil et Hosref. Le premier est tristement célèbre par ses crimes à Adana et par le rôle qu'il a joué dans l'affaire du viol de la jeune fille italienne.

Ces agissements mystérieux que l'on a appris à Adana ont livré la population à la terreur. Trois Turcs et un Arménien ayant été assassinés dans le district de Baghtché, et un professeur arménien y ayant été mitamment blessé, cela a augmenté les craintes des habitants.

Il est regrettable que les autorités locales essayent de mettre ces crimes sur le compte des Arméniens. Ceux-ci seront obligés d'émigrer à Mersine et à Chypre si le Gouvernement ne remédie à cette situation.

[19502] No. 90.

Mr. Williams to Sir Edward Grey.—(*Received April* 28.)

147, *St. Stephen's House, Westminster Bridge, London, April* 27, 1913.

Sir,

YOUR attention has doubtless been drawn to the very definite news published with great prominence in the "Times" of yesterday of preparations for massacres of Armenians in the hinterland of Adana. May I (as chairman of the British Armenia Committee and of the International Conference on the subject which was held in London on Friday last) beg of you to bring this matter before the meeting of the Ambassadors to-morrow (Monday) with a view to joint action of the Powers to avert such a tragedy by sending warships to the coast near Adana. I need hardly point out that troubles in the neighbourhood of Adana (unlike any far inland in Armenia proper) are well within the control of warships.

My committee, far from having any hostility to Turkey, desires only such reforms as are essential in the interests of Turkey itself and of the inhabitants of the Armenian districts, whatever their race or religion. We have hitherto avoided publicity, and we have not wished prematurely to urge upon you the question of reforms in Armenia while Balkan affairs were so critical. But this threatened massacre is not a question of reforms, which can be taken up next month, if not this; it is a matter in which delay may mean the loss of thousands of lives.

In the assurance of your sympathetic and immediate consideration of this matter,

I remain, &c.

ANEURIN WILLIAMS.

[18135] No. 91.

Foreign Office to Mr. Greenway.

(Confidential.)

Sir,

Foreign Office, April 28, 1913.

WITH reference to a conversation which you recently had at this Office relative to the possibility of an amalgamation of interests between the Anglo-Persian Oil Company and the newly-formed Turkish Petroleum Company, I am directed by Secretary Sir Edward Grey to transmit to you herewith, for your confidential information, copy of a despatch from His Majesty's Ambassador at Constantinople*,

* No. 61.

reporting on a further interview which he has had with the Turkish Grand Vizier, at which this subject was discussed.

I am to draw your attention to the hint, mentioned in the second paragraph of this despatch, which Mahmud Shevket Pasha appears to have let drop, to the effect that, if such an amalgamation were effected, the controlling share of the enterprise might be secured for British interests, and I am to ask whether Sir E. Grey is at liberty to inform Sir G. Lowther that, if this result were obtained, the objections raised by His Majesty's Government against the scheme would be diminished.

I am further to enquire what steps it would, in your opinion, be possible to take not only to secure but to ensure the maintenance of British control of the enterprise if amalgamation were agreed to.

I am, &c.

LOUIS MALLET.

[18131] No. 92.

Foreign Office to Board of Trade.

Sir,

Foreign Office, April 28, 1913.

WITH reference to your letter marked Very Confidential of the 1st ultimo, relative to trade and shipping in the Persian Gulf, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a telegram from His Majesty's consul-general at Bushire, referring especially to river lighterage and transport in those regions.*

I am to enquire whether the Board of Trade have information to show that any progress has been made, since the date of your letter referred to, with the question of a lighterage company.

I am, &c.

LOUIS MALLET.

[19690] No. 93.

India Office to Foreign Office.—(*Received April* 29.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 26th April, 1913, regarding the lighting and buoyage of the Persian Gulf.

India Office, April 28, 1913.

Enclosure in No. 93.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *April* 26, 1913.

LIGHTHOUSE on Musandim.

Please see your telegram of the 17th ultimo.

Director, Royal Indian Marine, who has visited Quoin and Musandim personally, has furnished information showing that objections to selection of latter site are on technical grounds stronger than we anticipated when our telegram of the 12th March was despatched. Thick weather is, he reports, more often than not prevalent over Musandim, whereas a clear atmosphere is normal condition at Little Quoin, as it is in middle of the Strait; also, worse tides are found round Musandim than anywhere else in the Gulf or its approaches, and, therefore, a lighthouse there would involve greater expenditure owing to difficulty of landing materials and stores than one at Little Quoin, which, further, is strongly recommended as site by Commander-in-chief, East Indies, and by commanders of British Indian Company's steamers.

In view of above, it seems to us preferable to keep to Little Quoin site, and use other means for gradual establishment of a footing on Ras Musandim; but, if selection

* No. 59

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of latter as site is decided on, a reference might be made to Mr. Hood, of Trinity House, who probably could answer your question about plant, as he has visited both sites, which appear to be identical in respect of nature of surface. If he can give no help, we could send Honner to examine and report, if Trinity House will state precisely what they want to know.

[19700] No. 94.

Board of Trade to Foreign Office.—(Received April 29.)

Sir, *Board of Trade, April 28, 1913.*

WITH further reference to your letter of the 15th January, transmitting copy of a despatch from His Majesty's consul-general at Bushire, with a report on German trade and shipping in the Persian Gulf, and with reference also to your letters of the 23rd January and 13th March, transmitting copies of despatches from the same officer relative to lighterage at Gulf ports and the Persian sugar trade respectively, I am directed by the Board of Trade to state that they have been in communication with a number of firms interested in the Gulf trade with regard to the various questions raised in these despatches.

I am to transmit to you herewith, to be laid before Sir E. Grey, copy of a memorandum which has been prepared in this Department on the basis of the information so obtained, and to state that the Board concur in the conclusions therein set forth.

I am to suggest that, should Sir E. Grey see no objection, a copy of this memorandum should be forwarded to Sir P. Cox for his information.

I am, &c.

GEO. J. STANLEY.

Enclosure in No. 94.

Memorandum.

IN a despatch dated the 21st November, 1912, Sir P. Cox, His Majesty's Political Resident in the Persian Gulf, reverts to the problem of German competition with British trade and shipping there, and asks for "lively consideration" of the suggestions for action put forward by Mr. H. G. Chick in his report on the activities of the Hamburg–America Line during the period October 1910–September 1911. In further despatches of the 24th December, 1912, and the 12th February, 1913, the attention of His Majesty's Government is invited to the questions of (1) a lighterage service at Gulf ports and (2) the sugar trade.

In consequence of these despatches the Board of Trade have consulted a number of firms interested in the Gulf trade, and the present memorandum summarises the information obtained:—

1. *Shipping.*—The various Gulf ports are served by the British India Steam Navigation Company, the Anglo-Algerian Line, and Bucknall Line—which are jointly managed by Mr. F. C. Strick—the West Hartlepool Line, the Bombay and Persia Line, the Arab Steamship Line, the Hamburg–America Line. Messrs. Andrew Weir and Co. run a number of boats in the Gulf, but this seems to be mainly for their own purposes, and the same is true of boats run recently by Messrs. Marcus Samuel and Co. at Basra.

As far as regards direct trade from and to Europe, it is carried between the Gulf and the United Kingdom mainly by the Anglo-Algerian and Bucknall Lines, and between the Gulf and the continent of Europe by the Hamburg–America Line. The Anglo-Algerian and Bucknall Lines go to Marseilles, but not to Antwerp or Hamburg; the Hamburg–America Line boats do not come to England. The West Hartlepool Line service has been relatively unimportant; the boats have gone to Antwerp, but the Board are now informed by Mr. Strick that the West Hartlepool Line has withdrawn from the Gulf trade, and that its berth, &c., at Antwerp has been acquired by Sir John Ellerman for the Bucknall Line, which proposes to send a boat there occasionally (partly with a view to maintaining the right of British boats in the Gulf trade to do so). The

Hamburg–America Line have been informed of the change, and a friendly acknowledgment has been received from Herr Ballin.

As regards outward service from the United Kingdom, Mr. Strick has made contracts which do not terminate until next year, and which cover practically the whole of the Manchester exports, the most important branch of the United Kingdom export trade to Persia. From enquiries made at Manchester it appears that the Hamburg–America Line did try to get in some time ago, but failed owing to the fact just mentioned; they will probably try again when the question of the renewal of the contracts comes up for consideration, but it is not thought that they will be successful, though there is some little dissatisfaction among British shippers owing to—

(1.) Irregularity of sailings of the Anglo-Algerian and Bucknall boats; and
(2.) Recent increase of insurance rates, because of some of the ports called at (Red Sea ports) and the fact that some of the boats (especially Anglo-Algerian boats) are said to be "not well found."

Mr. Strick has informed the Board of Trade that the Manchester shippers are claiming that the Anglo-Algerian Line should bear part of the increased insurance charges, and that he is prepared to do so if the period of the contracts be extended. He is about to open negotiations to that end.

Sugar exported from the continent to the Gulf is carried from Antwerp by the Hamburg–America Line boats, and from Marseilles by the Anglo-Algerian boats. The former exports are from Belgian refineries, the latter from French refineries. Mr. Strick has for the latter a contract which lasts for another four years. Much of the continental sugar is shipped to the Gulf on account of British firms, and it is suggested (Sir P. Cox's despatch of the 12th February, 1913) that these firms should be asked to insist that this sugar should be shipped only in British vessels, and (a necessary corollary) that British lines should be induced to go to Antwerp for this purpose, and that Mr. Strick should make every effort to keep the Marseilles contract. As regards Antwerp, Mr. Strick's view is that any attempt (even should it be practicable) to get the Belgian sugar contracts away from the Hamburg–America Line would mean a shipping war, which is quite unnecessary. As regards Marseilles, his contracts, which he states are not very remunerative, are secure for four years, and he doubts greatly if in any event the Hamburg–America Line would want to go to that port, since the trade is insufficient to make it worth their while. Sugar from the United Kingdom is, and will continue to be, carried by British lines.

The homeward service from the Gulf involves a number of problems, which can be more conveniently dealt with in connection with the grain trade.

2. *The Sugar Trade.*—Some of the facts in connection with the sugar trade have already been touched upon above. The suggestions there discussed are directed towards securing the carrying trade for British vessels and depriving the Hamburg–America Line of an important part of its outward freight; the other suggestion, made by Sir P. Cox and his commercial adviser, is that Messrs. Tate should be again urged by His Majesty's Government to undertake the manufacture of sugar in the particular form most favoured by the Persian market. But, as has been stated on several occasions previously, there is no commercial inducement to Messrs. Tate to do so, but very much the reverse, as the Board understand from the firm that it would necessitate a large outlay on new plant of a character which would occupy a large amount of additional space, and require a wasteful expenditure of time, besides involving an antiquated system of manufacture. On the other hand, the efforts which that firm are making to create a Persian trade in crystals are meeting with some success. They shipped to Gulf ports in 1910, 822 tons; in 1911, 1,380 tons; and in 1912, 2,070 tons. The Board of Trade have reason to believe that Messrs. Tate are prepared to continue and increase their efforts, that, in order to get into the Persian market, they are not charging the sugar shipped there with any portion of their ordinary "standing charges," and that firms engaged in the Persian trade have formed favourable opinions as to the prospects for this particular brand of sugar. It does not appear that Messrs. Tate can reasonably be expected to do more than they are doing at present.

3. *The Persian Export Trade in Grain.*—From the enquiries which the Board have caused to be made, it appears to be established that Messrs. Wönckhaus do constantly overbid British firms in buying grain (mainly barley), but there is a good deal of uncertainty as to the causes of this action. It is admitted, for example, that the barley often fetches a higher price (ex duty) at Hamburg than at United Kingdom ports, but British firms (not owning their own boats) cannot get their barley from the Gulf to Hamburg, because (1) Messrs. Wönckhaus secure all space on the Hamburg–American Line boats,

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and (2) the British lines will not go to Hamburg. If this be the case, then, even if the freights by the Hamburg–American Line to Hamburg were the same as those by British lines to the United Kingdom, it would still be possible for Messrs. Wönckhaus to overbid British firms in the Gulf. It is, however, asserted by British firms that this explanation is inadequate, and that Messrs. Wönckhaus are assisted by (1) low freights on the Hamburg–American Line boats, and/or (2) a customs rebate in Germany. On neither of these points is there any evidence; as regards (1), British firms say that they cannot get quotations from the Hamburg–America Line, since all the space is reserved, and generally taken up by Messrs. Wönckhaus; and, as regards (2), it is in the nature of things unprovable. The Board are informed that Messrs. Wönckhaus's business is conducted in a manner which suggests that it is not regulated by commercial principles; that they have held large stocks, and declined to sell even when prices were abnormally high; and that some years ago, in one instance at least, they were overbidding British firms in Persia and underselling in Europe.

Whatever the precise nature of the grain operations of Messrs. Wönckhaus may be, the trade has become very difficult for British firms. The Basra Trading Company, who have been established for many years at Basra, have recently had to cease operations there owing to their inability to cope with Messrs. Wönkhaus's competition; and a Manchester firm was disposed recently to abandon their operations at Bushire for the same reason, though they finally decided to endeavour to continue for awhile.

It should be noted that Mr. Strick does not subscribe to the view that current difficulties are due to over-bidding. He holds that the high prices demanded by grain speculators in the Gulf are the real trouble, and states that not only he himself has suspended buying for the present, but that Messrs. Wönckhaus have done the same, as they have been badly hit. The prices demanded have made profitable operations impossible. It may of course be that Messrs. Wönckhaus have been in receipt of such terms in respect of freight by Hamburg–America Line boats as have enabled them to go further than British firms towards paying the high prices demanded by native speculators.

The only suggestion put forward in any quarter as to ways of meeting the competition which some British firms allege is that made by Mr. Chick, viz., that steps should be taken to obtain substantial reductions of homeward freights on British vessels (of the Anglo-Algerian and Bucknall Lines). Some difficulty is doubtless caused to British exporters from the Gulf by the fact that Mr. Strick, who controls the Anglo-Algerian and Bucknall Lines, is himself an exporter of grain and other Gulf products, and that he retains, therefore, first claim on the space on his boats, and is in other ways not always disposed to have sufficient regard for the needs of other firms; and there is some evidence of dissatisfaction in this connection. The Board have, in fact, been told that, owing to the freights charged and the indisposition of Mr. Strick to meet requirements, and also owing to the reservation of space of the Hamburg–America Line boats, it is becoming almost impossible for British firms to continue in the trade unless they are also ship-owners and can call up their own boats as required, or are in close relations with shipping lines, *e.g.*, as agents. The only way to obtain substantial reductions of freight on the British boats would appear to be the grant of a subsidy; but it would have to be a considerable one, since the Hamburg–America Line may be prepared to cut rates (for Messrs. Wönkhaus) to any extent, especially as, if the shipments of railway material to Basra necessitate—as they probably will—more frequent outward sailings by Hamburg–America Line boats, they will be even more anxious than at present to secure homeward cargo.

4. *Lighterage.*—Sir P. Cox's despatch of the 24th December renews the suggestion that an efficient lighterage service should be established at Bushire by a British company, and proposes that the service should be extended at least to Basra and Bunder Abbas. As far as Basra is concerned, it would appear from Mr. Consul Crow's despatch No. 2, Commercial, of the 22nd February, that there is no special need—if, indeed, there is any at all—for such a scheme there, and that the dredging of the bar would be more useful. The operations of the proposed Shatt-el-Arab Navigation Commission, if established, would presumably modify the situation at Basra considerably. In the case of Bunder Abbas the Board have no evidence that suggests that the lack of such a service as is suggested is keenly felt. As regards Bushire itself, the obstacles of existing vested interests, and the probability that native merchants would support their countrymen, though probably not insuperable, would present considerable difficulties; and from the opinions expressed by British mercantile firms it is apparent that they regard it as a matter for the ship-owners, are indisposed themselves to come into a company for the purpose, and are very doubtful if, on the whole, it would be

remunerative. Whilst admitting that it would be a convenience, they do not seem inclined to regard the present lighterage conditions as particularly adverse. Mr. Strick, however, states that he is perfectly willing to co-operate with the British India for a service at Bushire; he understands that the matter has been under the consideration of Lord Inchcape, and will communicate with him.

5. *Position of Mr. Strick.*—It is urged by Sir P. Cox and Mr. Chick that Mr. F. C. Strick should be approached again by His Majesty's Government, and it is assumed that he is not fully aware of the position. It is, however, clear that this is not the case. Mr. Strick is fully aware of the possibility of Hamburg–America Line competition for the Manchester contracts, but, as already stated, there are good reasons for believing that that competition would not be successful. As regards Marseilles, again, he anticipates no danger. Mr. Strick has informed the Board that, whilst he thinks it inadvisable to enter into a conflict with the Hamburg–America Line by endeavouring to secure the Belgian sugar contracts, he is prepared to fight that line should it encroach in any way on the sphere of operations of the British lines. It is evident that Mr. Strick regards his position as a strong one, owing (it would seem) in part to his contracts, in part to his connection with Sir J. Ellerman, and in part to his close business relations with the Anglo-Persian Oil Company.

6. *The Possibility of a Subsidy.*—There are, moreover, very considerable difficulties in the way of a subsidy. The grant of subsidies for purely commercial purposes forms no part of the policy of His Majesty's Government. Further, when the question of subvention for postal services (which would have been helpful to the British lines trading directly between Europe and Gulf ports in resisting the pressure of the Hamburg–America Line for a rates agreement) was considered a few years ago, it was decided that no case could be made out for a grant of more than a very limited amount, which would have been of no practical use. It has also to be remembered that ship-owners trading with the Gulf are presumably conducting profitable undertakings, and do not need Government help to enable them to keep up their operations; while, so far as the import trade is concerned, assistance of this kind is not required by British firms trading with Persia. On the other hand, and taking the purely commercial point of view, the exports from Persia are not of sufficient importance to justify the consideration of a grant, and even if they were, any such grant would inaugurate a new form of assistance to trade which it would be difficult to refuse to extend in other directions. A subsidy could not be defended at the present time on purely commercial grounds; it could be defended only as a means of maintaining, for reasons predominantly political, British firms engaged in a particular trade. Such a subsidy, and the reasons for it, could not be kept secret, and the fact of its existence would make public to the world our apprehensions as to German progress in the Gulf, call forth from Germany denials of anything uncommercial in the action of Messrs. Wönckaus and the Hamburg–America Line, stimulate the latter to fresh activity, and give further impetus to German political effort.

7. *General Trade Conditions.*—The British firms who have been consulted by the Board of Trade were unanimous in believing that the competition of Messrs. Wönckaus is not of a commercial character, and that its primary object is political rather than commercial. It is mainly competition in the export trade from Persia, and its adverse influence has been felt most severely by firms which, like the Basra Trading Company, are, or have been, engaged principally in the barley export trade, though it is understood that the same methods have been adopted in respect of some other lines of produce.

The difficulties of firms exporting these other products, and of firms importing goods into Persia, arise chiefly from the lack of security in Persia generally, and on the South Persian trade routes especially. Rates of insurance and cost on conveyance on inland routes have risen greatly; robberies are frequent; there is great delay (goods have taken as much as eighteen months in transit from the United Kingdom to Ispahan by the Ahwaz–Ispahan route, which is comparatively safe); large quantities of goods are blocked at the ports, and firms have consequently very considerable sums of money locked up in this way (in the case of one firm alone the amount at a single South Persian port is 60,000*l.*). A number of small Arab and Jewish firms are taking great risks and making in some instances large profits; but their trade is practically a gamble. Meanwhile, Russian goods are becoming better known in the Central Persian markets, and their competition is being felt as far south as Ahwaz. Messrs. H. C. Dixon and Co. and Messrs. Ziegler and Co. both expressed grave doubts as to the possibility of continuing the trade unless steps were taken at an early date to bring about a substantial increase of security, and the Board are further informed that for the same

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reasons Messrs. David Sassoon and Co. have in mind the advisability of limiting their operations in South Persia, and of possibly withdrawing altogether.

All the firms concerned are agreed that if they are assured of a reasonable amount of security they can maintain their trade and meet Russian and German competition—as regards the latter, at least in the import trade; but unless His Majesty's Government take strong action to secure order in South Persia without delay, traders are convinced that, with the import trade crippled by disorder and the export trade struggling with the uncommercial competition (whether subsidised or not) of Messrs. Wönckhaus, and also impeded by disorder, it will soon be impossible for them to go on, with the result that the predominance of British commercial interests in the Gulf will become a thing of the past.

Unless and until order is secured in Southern Persia none of the proposals that have been put forward could be of any very appreciable utility.

[19750] No. 95.

India Office to Foreign Office.—(Received April 29.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Political Resident in the Persian Gulf, dated the 28th April, 1913, regarding Koweit.

India Office, April 29, 1913.

Enclosure in No. 95.

Lieutenant-Colonel Sir P. Cox to the Marquess of Crewe.

(Telegraphic.) P. *April 28, 1913.*

PLEASE refer to my telegram of the 16th instant regarding Sheikh of Koweit.

The political agent has now gone back there. The sheikh's ailment is hardening of the blood-vessels, which is liable to produce haemorrhage of the brain or heart failure. The doctors think him out of immediate danger, but forbid him to be disturbed by any State affairs. It is therefore impossible to communicate with him, but the doctors' orders appear to be sufficient explanation of our failure to do so, if such explanation becomes necessary in future.

(Repeated to Viceroy.)

[19771] No. 96.

Sir G. Louther to Sir Edward Grey.—(Received April 29.)

(No. 210.)
(Telegraphic.) *Constantinople, April 29, 1913.*

FOLLOWING is repetition of telegram from Basra of yesterday:—

"I learn privately, and from a reliable source, that the Arab notables of Basra are dissatisfied with certain clauses of the new law for the formation of the general assembly, especially those regarding martial law and restriction of discussion, and the right of the vali to dictate and interfere, and dissolve the assembly arbitrarily.

"The Government at Constantinople insist on maintaining the law in its present form, and refuse to discuss or modify conditions.

"The Arab notables propose to await the arrival of the new vali, who is due by the Russian steamship 'Vesta' about 4th May, and will then protest against the execution of the law as it stands. If he insists, it seems probable that serious disturbances will occur, and my informant tells me that preparations are being made secretly for the purpose."

In view of this information, it appears very desirable that a British man-of-war or two, if available, should arrive here simultaneously with the Russian steamship "Vesta," in which the vali travels, for the protection of British lives and property if threatened.

[19773] No. 97.

Sir G. Louther to Sir Edward Grey.—(Received April 29.)

(No. 211.)
(Telegraphic.) *Constantinople, April 29, 1913.*

FOLLOWING from Basra to-day:—

"I am informed that lighthouse agent recently made informal enquiries from Lynch's engineer regarding depth of water at Maghil, with a view to placing a lighthouse there."

[19502] No. 98.

Sir Edward Grey to Sir G. Louther.

(No. 199.)
(Telegraphic.) *Foreign Office, April 29, 1913.*

BRITISH Armenia Committee are anxious as to immediate danger of Armenian massacres in hinterland of Adana. Have you any later news than your despatches Nos. 329 and 343?

You should continue to impress strongly upon the Ottoman Government the necessity of taking every precaution.

[19788] No. 99.

Sir G. Louther to Sir Edward Grey.—(Received April 30.)

(No. 345.)
Sir, *Constantinople, April 25, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's consul at Basra, respecting the objections raised by the local authorities to the visit of Strick, Scott and Co.'s launch "Seba" to the Euphrates.

I have, &c.
GERARD LOWTHER.

Enclosure 1 in No. 99.

Consul Crow to Sir G. Louther.

(No. 17.)
Sir, *Basra, March 25th, 1913.*

I HAVE the honour to transmit herewith translation of a letter received from the acting vali objecting to the visit of Messrs. Strick, Scott and Co.'s launch "Seba" to Chebayesh.

Chebayesh, or Kebayesh, is on the left bank of the river Euphrates, between Suk-es-Shiyukh and Medina, and is situated a little below Hammar. Mr. Darby informs me the launch was hired for the journey by some Arabs.

I received notice from the vilayet on the 30th August, 1909, that foreign launches should not travel on the Tigris or Euphrates without special permission of the Turkish authorities. This notice was duly communicated to British firms at Basra at the time. As reported in my despatch No. 12 of the 18th March, 1911, with reference to Aga Jafer's permission to navigate the Euphrates, the two conditions laid down by the Turks as a *sine qua non* of the operation are, that the vessel must carry the Ottoman flag and its owner must be an Ottoman subject. Since 1909 the Turks have persistently refused to allow foreign craft to visit the Euphrates without special permission.

In view of these circumstances, and as we have not hitherto claimed the right of free navigation on the Euphrates, I advised Mr. Darby to discontinue the practice.

I report the matter for your Excellency's information, and have merely acknowledged the receipt of the vali's communication, and said that Mr. Darby

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will conform to his Excellency's wishes in the matter. This reply will not commit His Majesty's Government in any way, and will obviate the raising of the general question of navigation on the rivers, which might embarrass us at the present time.

I have, &c.
F. E. CROW.

Enclosure 2 in No. 99.

Acting Vali of Basra to Consul Crow.

(Translation.) *Basra, March* 20, 1913.

THE port-master reports that Mr. Darby's company's launch the "Seba" is taking passengers and cargo from here and proceeds to Chobayesh and back.

Apart from Lynch's three known river steamers, categorical orders have been given that no steamer or vessel, except those belonging to Ottoman subjects, may navigate in the two rivers, and vessels infringing this rule should be stopped and confiscated.

As I am convinced that you will not approve of the occurrence and continuance of such a practice, which is contrary to the existing regulations, I have the honour to request you to take the necessary steps in the matter.

ALI REZA,
Acting Vali and Commander of 13th Army Corps.

[19789] No. 100.

Sir G. Lowther to Sir Edward Grey.—(Received April 30.)

(No. 346.)
Sir, *Constantinople, April 25*, 1913.

WITH reference to my despatch No. 341 of yesterday's date, I have the honour to forward herewith a despatch from His Majesty's vice-consul at Jaffa, bearing on the reform movement in Syria.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 100.

Vice-Consul Hough to Sir G. Lowther.

(No. 27.)
Sir, *Jaffa, April* 12, 1913.

I HAVE the honour to give the following details of three telegrams which have been sent within the last few days by Jaffa notables to the Grand Vizier, and repeated to the Ministry of the Interior :— .

(1.)

"The loss of large portions of our territory and the dismemberment of our unfortunate country, affected by the diseases of bad administration and lack of reforms, has grieved us all, and convinces us that something ought to be done which will enable us to keep the remaining parts of our Empire. Consider the case of those we have lost. Their inhabitants defeated us because of their superior education and economic and administrative abilities. If we shut our eyes to these facts and refuse to take them as an exemplary lesson for our future guidance, it will mean our utter annihilation. We should also see to it that after the calamities which have befallen us, due to bad administration, we prove by facts that our love for our country is not less than that of other nations. Therefore, after the tragic events which this realm has witnessed, brought about by lack of reforms, no time should be lost in applying the reforms which Beirout has been compelled to insist on for the sake of saving our beloved country from the encroachments of European ambition.

"The importance of Palestine is so well known that I need not enlarge upon it. The immediate application of these reforms is demanded in order to save our country, which is at the point of death owing to the maladministration which threatens its life. The acquiescence in the demands of Beirout is the only way of keeping it alive.

Consequently, notwithstanding the delicate nature of the present situation, it is absolutely necessary to apply the Beirout programme to our sanjak in order to enable us and this country to maintain our existence under the Ottoman Crescent. Please give orders for their immediate application."—HAFIZ BEY ES-SAID, *Ex-Deputy.*

(2.)

States that Hafiz Bey does not represent the nation. The senders understand that it is not now the time to cause difficulty to the Government, in whose good intentions they have every confidence.—THE CHAMBER OF COMMERCE AND THE MUNICIPALITY.

(3.)

"We confirm the telegram of our ex-deputy Hafiz Bey Es-Said, which was sent with the sole object of consolidating our dear country under the Turkish Crescent. We make an urgent appeal for the Beirout programme to be applied in our district, and beg your Highness not to listen to the words of flatterers who want to keep things in their old deplorable state for the sake of their personal position."—MAHMOUD ABU'L HUDA, YAKOUB ABU'L HUDA, SELIM SHEIKH ALI, OSMAN-EL-KHALDI, ABD-EL-BAQI, SHIRKAWI NESSIM MELLUL, SAID-EL-NABULSI, SAID ABU KHADRA, ISMAIL IZZET, ALFRED ROCH, EMIN SHEHEBAR, SLIMAN-EL-'AZZOUNI, ALI SHARAWI, AHMED ABU'LGIBEIN, MUHAMMED ABU KAOUD, SHUKRI ISELI, MOUSSA SHEHABEDDIN, MUHAMMED-EL-FATHA, ISKANDAR HALABI, ISSA HALABI, DAVID DE BOTON.

Hafiz Bey was Ententist deputy for this district in the first Chamber. The signatories to the third telegram comprise notables of all religions. The second telegram emanates from Omar Beitar, the notorious mayor of Jaffa, who is supported by the Masonic party. It is quite true that his opposition to reforms is due to self-interest, as under the protection of the Committee party he has amassed a large fortune by wholesale corruption. His influence is considerable, and owing to it there is very little chance of the people of this district presenting a united front in their demand for reforms. It is however worthy of note that the two camps are not in the least divided according to religion. Both sides include Mussulmans and Christians. The Jews are probably all on the side of the reformists, but as a rule they are averse from taking any open part in politics.

This movement seems to me somewhat unenlightened and unintellectual as far as this district is concerned. It has only quite recently made its appearance, as the local population were placing chimerical hopes on Egyptian annexation.

I have, &c.
W. HOUGH.

[19790] No. 101.

Sir G. Lowther to Sir Edward Grey.—(Received April 30.)

(No. 347.)
Sir, *Constantinople, April 25*, 1913.

I HAVE the honour to forward herewith a despatch from His Majesty's vice-consul at Mosul, reporting on current events in the Mosul vilayet.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 101.

Vice-Consul Hoag to Sir G. Lowther.

(No. 6.)
Sir, *Mosul, March* 28, 1913.

I HAVE the honour to report as follows on current events in this district :—

Famine.—Owing to the shortage of last year's crops, and to the lack of rain this year, there is a great scarcity of food. Normally at this time all the horses in Mosul are sent out to grass, but this year the grass has so far scarcely grown at all. The prices of cereals are the highest on record, and there is great distress among the poor. The Government seems incapable of taking any serious steps to bring in corn from elsewhere, although there is said to be a fair amount in the Shemmuk district; it is also

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said that some of the big notables have large supplies which they are holding back in hopes of a still further rise. Unless rain falls very soon the situation will be extremely serious.

Feeling in the Country.—The ill-advised action of the Committee, the continuance of the war, and the above-mentioned distress have all contributed to produce a feeling of uncertainty for the future and to increase the dislike of the Turks. The Government has lost all prestige, and it is universally believed that Mesopotamia will not long remain a part of Turkey. Russian activity in Kurdistan has strengthened this idea. But, much as they dislike the Turks, the Moslems, at any rate, dislike the Russians even more; consequently there is a markedly pro-English feeling, and I am told that a large petition is being secretly got up to ask for English annexation.

The cessation of work on the Bagdad Railway is causing great interest, and people are firmly convinced that the reason is that Great Britain has taken over the line as far as Nisebin.

Nestorians.—I regret that I am unable to give your Excellency any very accurate information about Mar Shimun's relations with the Russians. I can only say that such information as I have tends to confirm the idea that Mar Shimun has quite given himself over to them, and that they are preparing to take advantage of his move to increase their influence in Kurdistan. The Archbishop of Canterbury's Mission had only thirteen boys in their school at Bibaydi this winter, and it is probable that they will not find it worth their while to continue the mission, which cannot be said to have resulted in anything, and which is not really wanted by the Nestorians; they do not want education, they want protection and money. I think that Mar Shimun is playing a double game, so as to get money from both English and Russians, and to get protection from the latter, as they cannot get it from the former.

Municipal Hospital.—Last November the military doctors declared that they were not satisfied with the sanitary arrangements of the town. They therefore invented a case of cholera at a time when the sanitary inspector happened to be away from Mosul; the latter was thereupon dismissed from his post. One of the military doctors was appointed acting sanitary inspector. He appropriated some money from the municipality, rented a house, bought some beds, and the municipal hospital was established. Invitations in gold letters were sent round, the notables and consuls attended, the vali and the commandant made impassioned speeches about progress and civilisation, and the hospital was declared open. It may be said that the military doctors ran the whole show, and made a great fuss about it. Since the opening on the 18th February five men have been admitted. Of these, one was operated on for hernia, and is now much worse than before; another was operated on for piles, and he died; a third for some eye disease, and he is totally blind; the other two ran away. In fairness to the doctors it should, however, be stated that they performed the operation of circumcision on a dozen boys without losing one.

This is the sort of thing which makes the Turk loathed. The municipal doctors, as I have previously informed your Excellency, are far from being perfect, but they are distinctly superior to the military doctors; the latter, however, stepped in with a high hand, appropriated large sums of the municipal money, and without doubt pocketed some of them, and after all this fuss and expense they proved an utter failure.

Yezidis.—There is much excitement among the Yezidis, because Ismail Aga, the uncle of the present Mir, seized one of the sacred peacocks, which was on its way to the Sinjar to collect money. This peacock is the security for a large sum owed by the Yezidis to Nimrud Rassam, the honorary dragoman of this vice-consulate. I therefore interfered in order to try and get the image restored to its rightful owners. The vali, who is peculiarly obstructive, even for a Turkish official, has prevented me so far even from speaking to Ismail Aga, although I know him, and his son is at the C.M.S. school, and it is very probable that I might influence him to return the bird. The case is difficult, for Ismail acknowledges having stolen the bird, but says that, being an angel, it flew away. The Code Napoléon does not provide for the case of a divine security of this sort.

Mektoubji.—The Mektoubji, a son of Bederkhan Pasha, has been appointed Mutessarif of Tais, in the Yemen. He has not gone yet, as he cannot get his journey-money. He has almost certainly been transferred to the Yemen on account of his being suspected of taking part in his brother's (Hussein Pasha) campaign for an autonomous Kurdistan. He is a sensible and strong-minded official.

I have, &c.
HENRY C. HONY.

[19791] No. 102.

Sir G. Lowther to Sir Edward Grey.—(Received April 30.)

(No. 348.)
Sir, *Constantinople, April 24, 1913.*

WITH reference to my despatch No. 336 of the 21st instant on the subject of the petroleum concession, I have the honour to report that Mr. Stock has made further endeavours to clear up the question of the alleged contract between the Anatolian Railway Company and the Ministry of Finance, the existence of which the Grand Vizier at first affirmed and afterwards denied to me, and as a result of his enquiries it would appear certain that all the papers in the case were duly transferred from the Ministry of Finance to the Ministry of Mines, and that no trace of any such contract exists at the latter Department.

Mr. Stock further learnt that the whole question of the petroleum fields is being examined by a special and confidential committee sitting at the Ministry of Mines, and that at a meeting held on the 22nd the Minister himself proposed that the Sublime Porte should be invited to give urgency to the matter. His Excellency also expressed his intention, unless prevented by the Grand Vizier, of putting all known petroleum deposits up to auction. The greatest secrecy is preserved as to the proceedings of the committee, but it is presumed that Djellal Bey, Minister of Mines, has prepared some scheme for disposing of known wells, which appears for the present to be blocked owing to the action of the Grand Vizier, no doubt in consequence of the pressure which is being exerted on him by the British and German embassies in connection with the concession in the Bagdad and Mosul vilayets.

Although I do not think that there is any danger that the Grand Vizier will allow the Minister of Mines to take any action until some solution of the monopoly in the two provinces above mentioned has been reached, I will take the first opportunity of again pressing Mr. D'Arcy's claims on his Highness.

I have, &c.
GERARD LOWTHER.

[19792] No. 103.

Sir G. Lowther to Sir Edward Grey.—(Received April 30.)

(No. 349.)
Sir, *Constantinople, April 25, 1913.*

THE results of the various interviews that I have had with the Grand Vizier on the subject of Mr. D'Arcy's claim to the concession of the oil-field in the Mosul and Bagdad provinces, and which I have duly reported in previous despatches, all tend to show that Mahmoud Shevket Pasha is inclined to deny the validity of Mr. D'Arcy's rights, mainly because of the German agreement with the Civil List in 1904, which his Highness now asserts—as reported in my despatch No. 336 of the 21st instant—to have been recognised by the new constitutional Government. His Highness's urgent advocacy of the amalgamation of the British and German groups for working the oil-fields, and his declaration to me that he was prepared to see that the preponderating share in such a combine should be British, seems however to indicate the recognition of certain moral rights acquired by Mr. D'Arcy, coupled with the intention of keeping faith with the Germans. It seems to me that the negotiations on behalf of Mr. D'Arcy have now reached a point not far from a deadlock, and I am apprehensive lest the pressure which may be exerted in favour of the rival groups by ourselves and the Germans may result in determining the Government not to give exclusive rights to either groups. Should the Government act in the sense indicated, and thus nullify the German agreement of 1904 as well as Mr. D'Arcy's claim, then presumably both Mr. D'Arcy as well as the German group, and, in fact, any outsider, would be free to apply for prospecting licences and work, as far as possible according to the mining regulations in force.

Such a result would, I think, be most disappointing, and on a review of the whole situation I am led to think that the declaration made to me by Mahmoud Shevket Pasha with regard to the large share which he would secure to British capital in any participation with the Germans, might perhaps form the basis for negotiating on

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new lines. I cannot, of course, give an assurance that the Grand Vizier is really in a position to ensure to us a preponderant participation; but, if it should be so, Mr. Stock assures me that such a solution would most likely satisfy Mr. D'Arcy, and I presume that in this case British interests also would be sufficiently safeguarded.

The Grand Vizier's proposal has, however, suggested to my mind another possible solution, and that is that the area over which exclusive rights are demanded by the rival groups should, by an arrangement made between Mr. D'Arcy, the Deutsche Bank, and the Turkish Government, be divided, the Germans taking the vilayet of Mosul and Mr. D'Arcy acquiring the rights over the whole of the Bagdad province. I am not aware what the relative importance of these two provinces as oil-bearing districts may be, but I am led to believe that the potentialities of the Bagdad province should be important enough to make the position of the Anglo-Persian Oil Syndicate, if they can acquire it, a very strong one. The possible failure to induce the Government to grant exclusive rights to Mr. D'Arcy over the oil-fields of Mesopotamia should, I think, be borne in mind, and the alternatives which have been suggested in order to retain an interest in part of the oil-bearing districts merit, I think, serious consideration. Should either of the suggestions meet with the approval of Mr. D'Arcy, and be accepted in principle by the Government, I am of the opinion that the presence of Mr. Greenway in Constantinople, in order to carry on the negotiations with the Deutsche Bank and the Turkish Government, would be most desirable.

I have, &c.
GERARD LOWTHER.

[19793] No. 104.

Sir G. Lowther to Sir Edward Grey.—(Received April 30.)

(No. 350.)

Sir, *Constantinople, April 26, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's vice consul at Van transmitting a quarterly report on the affairs of the vilayet.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 104.

Vice-Consul Molyneux-Seel to Sir G. Lowther.

(No. 9.)

Sir, *Van, April 4, 1913.*

I HAVE the honour to submit to your Excellency a quarterly report on the affairs of the vilayet.

Though as regards the general security in the vilayet the last three months have passed more tranquilly than has been the case for many years, the general situation cannot be said to be free from anxiety. Hardly a day passes but what some alarming rumours are not spread abroad, such as that bombs are being manufactured in the city by the Turks; that the Armenians have possessed themselves of machine-guns and even cannon; that the Russians have sent 3,000 rifles and a gun to the Nestorians; that such and such a person has been assassinated; that massacres are impending in such and such a place; that a Russian aeroplane was seen over the town! &c., &c.; all of which are without foundation but tend to create a dangerous state of feeling among the inhabitants. It is hardly possible not to believe that many of these rumours are set abroad with malicious intent, and that they are something more than the result of the present strained relations existing between the various elements of the population here below recounted.

Recent events in Europe have rendered inevitable the widening of the breach between the Armenians and the Turks. Whatever may be the real ambitions of the Taschnakist party, there is no doubt but that the mass of the Armenians in this vilayet entertains hopes not merely of reforms but of being definitely released from Turkish rule. The result of the Bulgarian war, the sympathy of Russian agents and of the

European press, and, in Van, the speeches made by the Russian newspaper correspondent of which I informed your Excellency, have caused the Armenians to throw off any pretence of loyalty they may once have shown, and openly to welcome the prospect of a Russian occupation of the Armenian vilayets. I do not know what real grounds there may be for this belief, but such a contingency is looked on as a certainty by the inhabitants, and the belief is far from discouraged by those with whom it would rest to do so. The Turkish population live in extreme dread of a Russian invasion, and say that it will not be worth their while to sow their fields this spring.

Vramian, the Taschnakist revolutionary chief and ex-deputy, has just returned from a visit to Tiflis, where he was received at Government House. It appears to be true that the Russian Government gave him clearly to understand that, in the event of his party provoking massacres or other disturbances in Turkey, the Armenians could hope for no friendly intervention on the part of Russia. Whether or not the Taschnakists have accepted this advice to remain quiet and await the development of events only the future will show.

The Government is quite in a position to control Mussulman feeling in the town, but a more real cause of anxiety is the relations between Kurds and Armenians. Without any special grounds of alarm beyond a vague fear of untoward events after the war, the Taschnakists have been extensively arming the Armenians in the villages, and rumour credits the Armenians with being in possession of several machine-guns. On the other, the Kurds also are reported to be collecting arms, assembling meetings, &c. There appears to be a widespread idea among the Kurds that the projected reforms in the Armenian vilayets threaten destruction to their national existence. The disturbances in the Jezire and Midiat districts are said to have been caused by the emissaries of Hussein Pasha (Bedr Khan), who gave out that an Armenian principality was about to be established, and called upon the Kurds to rise in revolt to protect their national existence.

The Kurds have developed a contempt for the Ottoman troops, and have frequently been heard to criticise the policy of admitting Christians into the army. They appreciate the failure of the attempt to replace religious fanaticism by a spirit of patriotism. As regards this vilayet, detachments of troops—the officers of which, I am told, have been specially selected—have been posted in Kutchigan, Shattakh, and other places where thought necessary, and provided these troops do their duty there should be no danger of anything in the nature of a massacre of Christians occurring. The vali appears to be content with these conditions, and not to realise that the maintenance of peace between Kurds and Armenians by the distribution of detachments of troops throughout the country is not altogether a satisfactory state of affairs. Having in view the reforms projected by the Central Government no doubt more could not be expected, though I have reason to believe that the vali has discountenanced the idea of the necessity for any far-reaching reforms. The detractors of the vali have set abroad the most absurd rumours, such as that he wishes to make himself "King of the Kurds," but I have complete confidence in his present integrity of purpose, however much his general policy and lack of strength of character may be open to criticism.

The Turkish authorities are so thoroughly alive to the danger of a Russian armed intervention that I am convinced that they will never allow, much less incite, a massacre of Armenians by the Kurds. But the danger of the Kurds on their own initiative creating disorders, such movements being directed more against the Turkish Government than against the Christian inhabitants, does exist. Abdul Rezzak Bedr Khan, at present at Khoi, whose propaganda is a Kurd autonomy under the suzerainty of Russia, is reported to be organising some such movement. However, his influence among the Kurds of these parts, though not negligible, is not very great. The machinations of Sheikh Taha, near Urmi, are a more serious matter. When Sheikh Abdul Kadir resided in these parts the Turks were able to balance the influence of the one sheikh against that of the other. Sheikh Abdul Kadir has not, however, been able to invest his son, who now looks after his interests in Shamsdinan, with his own influence, and that of Sheikh Taha now vastly predominates. The Turks believe that in the absence of his rival he could raise in revolt from 30,000 to 40,000 armed Kurds. Consequently, having granted him a free pardon, the Turks are doing all in their power to induce him to enter into peaceful possession of his own domains in Turkey. But this, doubtless mistrusting the Turks, he still declines to do.

Whatever degree of sincerity there may be in the assertion of the Russians that their only object in gaining the good-will of the frontier Kurds is to secure their tranquillity in Persia, it is clear that Turkey must consider such influence as inimical to her interests, and see the necessity of doing her best to counteract it.

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In the Armenian newspapers which come here from Constantinople, some of them printed partly in Turkish and read also by Mussulmans, the Armenians freely state that they will wait until after the war, and that if then real reforms are not initiated they will take the matter into their own hands. Taking the matter into their own hands is interpreted as meaning either by anarchist methods, or by the formation of bands, bringing about such a state of affairs as would compel European intervention.

The dangers that confront the authorities thus come either from the Kurds, or from the Taschnakists, or from both. The main difficulty in dealing with any situation arising out of these elements of danger lies in the attitude of the troops, on whose loyal co-operation dependence must ultimately be placed. Jabir Pasha, ably seconded by his chief of staff, has been conducting a continuous campaign against the vali since his arrival here. His aim has been to alienate the sympathies of the Armenian population from the vali and transfer them to himself. By maintaining cordial relations with the Armenians, and especially the Taschnakists, and propagating the calumny that the vali pursues a policy of protecting the Kurd chiefs at the expense of the Armenians, he has been successful in his object. The entire Armenian population may now be said to be hostile to the vali. To such an extent did Jabir Pasha carry out this pro-Armenian propaganda that he aroused the hostility of a section of the Mussulman population, who sent him a menacing letter. This caused him some alarm, and he established a military "kara gol" opposite his house and took the precaution to be always accompanied by two Armenian soldiers when leaving his house. There is little doubt that his ultimate aim is to become vali himself, and he has even had the audacity to make a thinly-veiled proposition to this effect to one of my colleagues.

With such intrigues on foot and lack of loyalty to the civil authority it is easy to see the possibility of future trouble. In justice to Jabir Pasha it must be stated, however, that up to the present he has acceded to all the demands of the vali as regards the posting of troops in the various districts where thought necessary.

I have, &c.

L. MOLYNEUX-SEEL, *Captain.*

[19796] No. 105.

Sir G. Lowther to Sir Edward Grey.—(Received April 30.)

(No. 353.)

Sir, *Constantinople, April 26, 1913.*

I HAVE the honour to report that His Majesty's consul at Beirut informed me by telegraph on the 24th April that on the 22nd April a disturbance occurred among the Lebanon gendarmerie. Two hundred men of that force, abandoning their posts in various parts of the mountains, marched to the seat of Government. Here they made a demonstration against the Administrative Council, smashed the furniture in the Council Chamber and the Government House windows, and demanded that their pay should be immediately increased, that they should be given better clothing and fair promotion. The men were armed, and most of them intoxicated, and as the remainder of the force was in sympathy with them the Governor and the Council submitted to their demands. Pay for the last month was given to them at the increased rate which they asked for, and they returned to their posts on the 23rd April. Meanwhile the Governor considered it advisable, with a view to the maintenance of order, to call in some Imperial troops pending the institution of measures to vindicate Government authority.

Mr. Cumberbatch closes his telegram with the remark that these events make it more imperative than ever that a foreign officer should be appointed to reorganise the gendarmerie, adding that such officer should not be a Frenchman unless absolutely necessary.

I venture to think that, in view of the predominance of French interests in the Lebanon, it would be difficult for us to endorse Mr. Cumberbatch's suggestion.

I have, &c.

GERARD LOWTHER.

[19797] No. 106.

Sir G. Lowther to Sir Edward Grey.—(Received April 30.)

(No. 354. Confidential.)

Sir, *Constantinople, April 26, 1913.*

IN a telegraphic report received by me yesterday from His Majesty's consul-general at Bagdad, he submits that, in case the question of foreign economic spheres of influence should arise, the British sphere in those regions should extend from the Persian Gulf to Samarah on the Tigris and to Hit on the Euphrates, the chief object being to include in it all projected irrigation schemes, which he considers the most important in the future of Mesopotamia, if not, indeed, in the Ottoman Empire. Samarah, moreover, is a spot for Indian Moslem (Shia) pilgrimage. The addition of Ana to the above-described tracts would make it identical with the limits of the Bagdad and Basra vilayets.

Mr. Lorimer adds that it would be desirable, on account of oil interests, to include the vilayet of Mosoul, though this would perhaps be an exaggerated claim, more especially if the railway below Samarah is relinquished to us. He further submits that, in view of our "hereditary stake" in the Persian Gulf and Mesopotamia, it might be advisable to sacrifice minor interests elsewhere in order to secure the consolidation of our position in those parts. Mr. Lorimer presumably refers to such matters as having British inspectors, &c., and political or commercial influence in other parts of the Ottoman Empire, *e.g.*, in Syria or Asia Minor.

As the main issues connected with Turkey's present and immediate future are being dealt with in London and Paris, it is difficult for me to offer observations on Mr. Lorimer's suggestions. It is believed in some quarters here that Turkey's financial position is so desperate that a solution must shape on the lines of international control, and perhaps the dividing up of Turkey in Asia into economic spheres.

I have, &c.

GERARD LOWTHER.

[19825] No. 107.

Aide-mémoire communicated by Turkish Embassy, April 30, 1913.

UNE compagnie anglaise exploite sur le Chatt-el-Arab, à Mohammerah, dans la localité connue sous le nom de Périn-Abadan, un gisement de naphte. Par suite de cette exploitation il arrive fréquemment que des résidus naphteux se déversent dans le fleuve, viciant l'eau que la population riveraine est obligée de boire. Non seulement cela constitue un sérieux danger pour la santé publique, mais les odeurs et émanations de pétrole qui s'en dégagent causent aussi de grands inconvénients, car les indigènes emploient cette eau pour les besoins agricoles, de façon que les matières chimiques délétères qui y sont contenues détérioront sensiblement les cultures et végétations de ces régions.

Afin d'obvier à ces inconvénients préjudiciables à l'intérêt général en même temps que contraires aux principes du droit public en matière d'obligations réciproques auxquelles les pays riverains sont assujettis, le Gouvernement Impérial pense que la meilleure voie à suivre serait la désignation sur les lieux d'une commission composée d'un ingénieur, un spécialiste agricole, deux fonctionnaires de l'Hygiène publique et un jurisconsulte, ayant pour mission d'étudier sur place les moyens propres qu'il conviendrait de prendre pour empêcher l'infection et la pollution des eaux du Chatt-el-Arab.

Ambassade Impériale ottomane, Londres,
le 28 avril, 1913.

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[19900] No. 108.

India Office to Foreign Office.—(*Received April 30.*)

Sir, *India Office, April 29, 1913.*

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter of the 24th April regarding the protection of Muscat subjects abroad, and in reply to say that, in accordance with the decision reached in 1905 (*vide* the letter of your Department of the 20th October of that year) natives of Muscat should not be considered as entitled to the good offices of His Majesty's representatives, except in cases where a letter of recommendation has been granted by the political agent at Muscat.

I am, &c.
T. W. HOLDERNESS.

[19879] No. 109.

India Office to Foreign Office.—(*Received April 30.*)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of enclosure in a letter from the Foreign Secretary to the Government of India, dated the 10th April, 1913, relative to Persian Gulf defences.

Copy has been sent to the Admiralty.

India Office, April 29, 1913.

Enclosure in No. 109.

Lieutenant-Colonel Sir P. Cox to the Government of India.

(Telegraphic.) P. *Bushire, March 7, 1913.*

SITE for light-house.

Please refer to your telegram No. 133.

Presuming that Masandam Island is, from a juridical point of view, indisputably part of Ruus-al-Jibal promontory, then a better site for the light-house than any other spot on the actual mainland seems to be afforded by that island, because convenient security to the light-house keepers from attentions of the somewhat troublesome tribesmen who inhabit adjacent villages on promontory will be provided by narrow strait which separates the island from mainland. How far expression "naval station," as now used, differs from "naval base" is not quite clear to me. It was held by Navy in August 1904 that Khor Kawai is "a very valuable position for a flying base and a temporary coaling station," but little open space would be afforded, as the shores of whole promontory for the most part slope precipitously to the sea, while climatic and other amenities of the locality are most uninviting; so that promontory seems to offer by no means an ideal situation for a large "naval station." However, all that would be contemplated for the present would, I imagine, pending further extensive political developments, be that we should reoccupy Telegraph islet and, if possible, obtain from Sultan, in order to assure our footing, lease of promontory north of Maklab, put some coal down at Khor Kawai, and in the vicinity erect a light-house. I do not personally see how we could safely refrain from making good our strategical position on the islands and shore in the neighbourhood of Bunder Abbas—if not on the mainland, at any rate on the islands—if Trans-Persian Railway were to take shape and were to break gauge at Bunder Abbas, starting on unobtrusive lines contemplated in telegram to Secretary of State of the 8th January from Government of India, and being prepared, if necessity became more lively, to take more drastic action.

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[20063] No. 112*.

Anglo-Persian Oil Company to Foreign Office.—(Received May 1.)

Winchester House, Old Broad Street, London,
Sir, *April 29, 1913.*

I BEG to acknowledge receipt of your letter of the 28th instant transmitting copy of a despatch from His Majesty's Ambassador at Constantinople reporting on a further interview which he has had with the Turkish Grand Vizier on the subject of the Mesopotamian oil concession.

With reference to the hint which was let drop by Mahmud Shevket Pasha to the effect that if an amalgamation of interests can be effected between our group and the newly-formed Turkish Petroleum Company it might be practicable to secure a controlling share of the enterprise for British interests, I am desired to state that if this result can be attained my Board would not be opposed to such an amalgamation.

This control can, however, in our opinion, only be secured and maintained by a stipulation to the effect that a preponderating share—say not less than 60 per cent.—in the enterprise shall be held by the Anglo-Persian Oil Company (Limited), (*i.e.*, the group associated with Mr. D'Arcy), and that the technical and commercial working of the company to be ultimately formed to work the concession shall be entirely in their hands, the newly-formed Turkish Petroleum Company only being interested in the enterprise as shareholders.

The Turkish Petroleum Company as at present constituted is, we understand, composed of the Deutsche Bank, the Shell Company, and the National Bank of Turkey, their interests holding respectively 25 per cent., 25 per cent., and 50 per cent. of the shares in the company.

At the interview which, at Sir Edward Grey's suggestion, I had with Sir Babington Smith some months ago he stated definitely :—

1. That it would not be practicable to give our group a preponderating interest in their company, and that the most they could consider would be 25 per cent.

2. That if, as would doubtless be the case, the Shell Company asked for technical and commercial control, the National Bank of Turkey and the Deutsche Bank would have no alternative but to support their claim.

In other words, the newly-formed Turkish Petroleum Company being dominated by foreign interests can only be regarded as a separate foreign entity, and British control can only be secured by stipulating that a preponderating share shall be held by a separate and purely British group.

Should such an arrangement be practicable we should be quite agreeable to falling in with an amalgamation scheme of this nature, but from what Sir Babington Smith said, and from information which I have obtained lately as to the attitude of the Shell Company in this matter, I think it extremely unlikely that the Turkish Petroleum Company will agree to any arrangement whereby they cannot ensure to themselves a controlling interest.

I have, &c.
C. GREENWAY, *Managing Director.*

[19821] No. 110.

Sir G. Louther to Sir Edward Grey.—(Received April 30.)

(No. 213.)
(Telegraphic.) *Constantinople, April 29, 1913.*

MY despatch No. 343 of 24th April.

Following from consular officer at Adana, 29th April :—

"Dissensions have arisen between the two Moslem parties here, which are indulging in mutual accusations of having caused the recent panic amongst the Christians."

[19771] No. 111.

Foreign Office to Admiralty.

Sir, *Foreign Office, April 30, 1913.*

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a telegram from His Majesty's Ambassador at Constantinople,* repeating a message from His Majesty's consul at Basra relative to the possibility of disturbances in that region on the arrival of the newly appointed vali, and the consequent advisability of sending one or two of His Majesty's ships to the spot for the protection of British lives and property.

I am accordingly to enquire whether the Lords Commissioners of the Admiralty can see their way to make the necessary arrangements to give effect to Mr. Crow's suggestion having regard to the conditions as to draught which a ship-of-war would have to fulfil in order to ascend the Shatt-el-Arab to Basra.

I am, &c.
LOUIS MALLET.

[19321] No. 112.

Foreign Office to Mr. Greenway.

(Confidential.)
Sir, *Foreign Office, April 30, 1913.*

WITH reference to the letter from this Office of the 28th instant relative to the possibility of an amalgamation of the interests of the Anglo-Persian Oil and Turkish Petroleum Companies in the oilfields of Mesopotamia, subject to the certainty that the control of the enterprise would be maintained in British hands, I am directed by Secretary Sir Edward Grey to transmit to you herewith, for your confidential information and any observations which you have to offer, copy of a further despatch from His Majesty's Ambassador at Constantinople on the subject.†

I am, &c.
LOUIS MALLET.

[20108] No. 113.

Memorandum communicated by Hakki Pasha, May 1, 1913.

Déclaration relative à la Frontière de Mohammerah.

LA forme bilatérale me semble préférable.

2. Je désire voir l'addition au paragraphe 2 que vous aviez promis de m'envoyer.

3. Quant au paragraphe 3, je me permets de vous faire observer que ma proposition était de donner la faculté d'appréciation aux commissaires anglais de délimitation. Je ne pense pas accorder la même confiance d'impartialité aux commissaires persans. Nous devrions arranger ce point vendredi, avant d'arrêter le texte définitif.

* No. 96. † No. 85.

Convention du Chatt-el-Arab.

Préambule. ". . . désireux d'améliorer les conditions de navigation du Chatt-el-Arab et de diminuer les risques auxquels pourrait y être exposé le commerce . . ."

Convention des Chemins de Fer.

Préambule. ". . . désireux d'écarter toute condition pouvant donner lieu à l'avenir à des différends entre eux en ce qui concerne les intérêts commerciaux dans leurs rapports avec le trafic des chemins de fer . . ."

Article 34 (qui aura le No. 2). Il faut mentionner l'exception en ce qui concerne le droit découlant pour la Société de Bagdad de sa convention pour l'importation des matériaux et de munitions destinés à la construction du chemin de fer.

Article 40 (qui devient 8). Il me semble que ce sont les clauses de garantie d'égalité de traitement qui doivent s'étendre à ceux-ci.

Article 41. Nous devions en faire l'objet d'une note. Pour les deux Anglais il vaut mieux dire: Ayant l'agrément de la Chambre de Commerce de Londres. On ne peut pas changer l'élection par l'assemblée des actionnaires.

Article 42. C'est au Gouvernement ottoman d'obtenir la renonciation. L'article est superflu.

Londres, le 1er mai, 1913.

[20107] No. 114.

Memorandum communicated by Hakki Pasha, May 1, 1913.

LE Gouvernement de Sa Majesté britannique voudra bien donner son consentement:

1. A l'élévation des droits d'importation en Turquie à 15 pour cent *ad valorem*. La nouvelle augmentation de 4 pour cent ne pourra être appliquée aux marchandises anglaises que si elle est appliquée à celles de tout les autres États.

2. Au remplacement ultérieur de 15 pour cent *ad valorem* par un tarif à droits spécifiques à fixer d'un commun accord.

(Au moment de la confection de ce tarif, il sera possible d'avantager certains classes de produits et de charger certaines autres de façon à rester dans la moyenne de 15 pour cent.)

3. A l'application aux sujets britanniques de l'impôt de témettu, à la condition d'une application générale à tous les étrangers.

4. A l'abolition, en principe, des bureaux de poste étrangers.

(En attendant et pour éviter la criante injustice des revenus publics d'un État perçus pour le compte des autres, on peut suggérer l'idée de l'emploi de timbres ottomans par les bureaux étrangers.)

5. A étudier la question de la suppression des Capitulations.

(L'Angleterre, en consentant et en participant à cette étude, rendra un vrai service, pas seulement à la Turquie et à la nation ottomane, mais aussi à l'humanité. L'état actuel de la justice en Turquie, avec les lois et les tribunaux d'une douzaine d'États, équivaut à la négation de toute justice. Si tous les États ayant des droits capitulaires découlant de leurs propres traités (non par la clause de la nation la plus favorisée) nommaient une commission purement de juristes pour étudier les inconvénients du système actuel et recommander les moyens d'y obvier, on pourrait arriver, par étapes, à de grandes améliorations.)

Londres, le 1er mai, 1913.

[19826] No. 115.

*Foreign Office to India Office.**

Sir, *Foreign Office, May 1, 1913.*

I AM directed by Secretary Sir Edward Grey to inform you that Sir William Ward, formerly His Majesty's consul-general at Hamburg called at this Office a few days ago

* Also to Board of Trade, *mutatis mutandis*.

to say that a friend of his, a director of the Hamburg-Amerika Line, was shortly going out to the Persian Gulf to study the possibilities of development for his company in those waters. The matter was of great interest to the German Government and the Hamburg-Amerika Line were taking it up very seriously, with a view, Sir William Ward thought, to having an established position in the gulf when, as a probable result of the Balkan war, Germany and Great Britain will have to come to some sort of a final understanding with regard to the Persian Gulf, Bagdad Railway, Tigris Navigation and kindred questions.

A similar letter has been addressed to the Board of Trade.

I am, &c.
LOUIS MALLET.

[20164] No. 116.

India Office to Foreign Office.—(Received May 2.)

Sir, *India Office, May 1, 1913.*

IN continuation of my letters of the 17th and 22nd March, 1913, I am directed to invite reference to the further telegram from the Government of India, dated the 26th April, regarding the proposal to substitute Musandim for Little Quoin island as the site of the second lighthouse in the Persian Gulf.

The views of the Admiralty on the strategic questions raised in my letter of the 22nd March must, in the Marquess of Crewe's opinion, be awaited before a decision can be arrived at as to the lighthouse site; but as the materials under provision for Little Quoin will shortly be ready for shipment, it is very desirable that the matter should not be unduly delayed.

I am, &c.
T. W. HOLDERNESS.

[20146] No. 117.

India Office to Foreign Office.—(Received May 2.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated 28th April, 1913, regarding the Turco-Persian frontier.

India Office, May 1, 1913.

Enclosure in No. 117.

The Marquess of Crewe to Government of India.

(Telegraphic.) P. *India Office, April 28, 1913.*

PLEASE refer to telegram of 11th instant from Resident, Persian Gulf, regarding Mohammerah frontier. The line suggested therein is accepted by Hakki, provided that if on delimiting it the territory on Nahr Khaiyin shall be found to have been in effective occupation of Turks at date of signing the convention, correction of line accordingly shall be made. You should have a careful watch kept, and report immediately to me any attempt by the Turks in the meantime to disturb the *status quo* actually existing.

(Repeated to Resident, Persian Gulf.)

[20155] No. 118.

India Office to Foreign Office.—(Received May 2.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 29th April, 1913, regarding the lighting and buoyage of the Persian Gulf.

India Office, May 1, 1913.

Enclosure in No. 118.

The Marquess of Crewe to the Government of India.

(Telegraphic) P. *India Office, April 29, 1913.*

LIGHTING of Persian Gulf.

The Resident has been instructed by Sir W. Townley to issue proposed notification to foreign consuls referred to in your telegram of the 14th instant.

[20235] No. 119.

Admiralty to Foreign Office.—(Received May 2.)

(Confidential.)

Sir, *Admiralty, May 1, 1913.*

IN reply to your letter of the 18th ultimo, respecting the lighting and defence of the entrance to the Persian Gulf, I am commanded by my Lords Commissioners of the Admiralty to point out that, as the Secretary of State for Foreign Affairs is aware, the strategical questions connected with the scheme for a Trans-Persian Railway, including its effects on British naval dispositions at the entrance to the Gulf, is still under the consideration of a Sub-Committee to the Committee of Imperial Defence. Steps are being taken to lay the views of the Admiralty before the committee, and my Lords do not therefore desire to deal with the matter at any length in this communication. Briefly, however, their view is that, while a naval base on the Musandim peninsula would theoretically be in a somewhat better strategical position for the control of a railway passing along the northern shore of the entrance to the Gulf, if threatened by a hostile advance from the north-west, practical considerations point rather for the present to the use of Henjam as an anchorage and supply base, with Basidu as a subsidiary base for small vessels, especially if the railway stops short at Bunder Abbas.

2. It does not appear necessary to contemplate the actual fortification of a naval base in this region so long as we retain the command of the sea in Eastern Waters.

3. Their Lordship's remarks on the lighting of the entrance to the Gulf will be made in a separate communication.

I am, &c.
W. GRAHAM GREENE.

[20228] No. 120.

Admiralty to Foreign Office.—(Received May 2.)

Sir, *Admiralty, May 2, 1913.*

IN reply to your letter of the 30th ultimo, I am commanded by my Lords Commissioners of the Admiralty to acquaint you, for the information of the Secretary of State for Foreign Affairs, that His Majesty's ship "Alert" will be at Basra by the 4th instant.

I am, &c.
W. GRAHAM GREENE.

[18858] No. 121.

Sir Edward Grey to Viscount Kitchener.

(No. 72.)

My Lord, *Foreign Office, May 2, 1913.*

HAKKI PASHA, former Grand Vizier of Turkey who is at present in London in order to negotiate with His Majesty's Government on behalf of the Sublime Porte certain conventions for the reconciliation of British and Ottoman interests in the region of the Persian Gulf, told Sir L. Mallet on the 23rd ultimo that he expected that the French Government, like His Majesty's Government, would insist on some compensation for their agreement to the increase of the Turkish customs duties from 11 per cent. to 15 per cent., and that their demand would probably be for a concession to construct a railway from Rayak in Syria to El Arish on the Turco-Egyptian frontier.

Such a concession, if acquired, would presumably have little value unless the Egyptian Government undertook to connect El Arish with the Egyptian railway system which, if this junction took place, would be in direct connection with the Bagdad Railway by way of Aleppo.

It is well that His Majesty's Government should be prepared with an answer for the event of the French Government, this concession having been obtained, approaching them on the subject of a connection with the Egyptian system, and I should accordingly be glad if your Lordship would furnish me with your views on the subject.

I may refer your Lordship in this connection to the following papers which should be found, either in original or in copy, in the archives of His Majesty's agency :—

My despatch No. 57 of the 7th April, 1909; Sir E. Gorst's despatch No. 39 of the 17th April, 1909; Sir G. Lowther's despatch No. 167 of the 22nd March, 1910, copy of which was forwarded to Sir E. Gorst by his Excellency direct, and my private letter to Sir E. Gorst of the 21st March, 1910, copy of which, with its enclosures, is forwarded herewith for convenience of reference.

I am, &c,
E. GREY.

[20326] No. 122.

Sir G. Lowther to Sir Edward Grey.—(Received May 3.)

(No. 355.)

Sir, *Constantinople, April 28, 1913.*

I HAVE the honour to enclose herein copy of a despatch from His Majesty's consul at Aleppo transmitting a report drawn up by the Gregorian Bishop of Aleppo regarding the Armenian question in the Zeitun district.

With reference to the incident of the Armenian deserters at Hadjin, dealt with in the 5th paragraph of the bishop's report, it would appear that his Reverence's explanation of the cause of this incident, namely, the difference of attitude of the Kiamil Pasha Cabinet and the Committee Cabinet which succeeded it after the *coup d'Etat* of the 23rd January, is correct.

At the time when the question of these deserters first arose, Mr. Fitzmaurice, in a conversation with the Minister of the Interior in the Kiamil Pasha Cabinet, pointed out that while thousands of Moslems, Jews, Greeks, &c., had evaded military service, some 10,000 Armenian soldiers had shown great bravery and done their duty in the Turkish armies, their casualties being relatively very heavy. Mr. Fitzmaurice suggested that it did not seem good policy to take exceptionally rigorous measures against a few Armenian deserters especially in a region like Zeitun where the conditions, like those of Dersim, Hakkiari, and Hauran were peculiar owing to the wild or mountainous nature of the country. The Minister agreed, and, at the instance of the Armenian patriarch sent a telegram to amnesty the Armenian deserters in question.

Shortly after this, however, the Kiamil Pasha Cabinet fell, and, as stated by the bishop, the present Committee Cabinet took a less lenient view of the matter, with the resultant incident at Hadjin.

In this connection it is interesting to notice that the Armenian patriarch, being anxious to compile statistics of the number of Armenians who have served in the Balkan war and of the casualties among them, sent a circular instructing his subordinate

bishops to compile the necessary information. The authorities have, however, somewhat unreasonably, prohibited the work of compilation.

I have, &c.
GERARD LOWTHER.

Enclosure 1 in No. 122.

Consul Fontana to Sir G. Lowther.

(No. 20.)
Sir, *Aleppo, April* 12, 1913.

I HAVE the honour herewith to transmit to your Excellency the coy of a report on the situtiou at Zeitun, drawn up by the Gregorian Bishop of Aleppo on his return from a tour in that district (*vide* my despatch No. 10 of the 5th ultimo) and communicated to me by him. As the bishop notes in his report, the authorities have, undoubtedly, attached more weight to the fact of a small number of Armenian deserters and robbers having betaken themselves to the Zeitun mountains, than to that of the district being infested by Moslem deserters, brigands, and cattle lifters. And there can be little hope of any special reforms being introduced in the remote Zeitun kaza at a time when the whole province is disgusted with Turkish rule, and is crying out for deliverance therefrom.

I have, &c.
R. A. FONTANA.

Enclosure 2 in No. 122.

Report by the Gregorian Bishop of Aleppo re *Zeitun.*

LE Gouvernement ottoman, ayant dernièrement eu des soupçons, d'ailleurs non fondés, à l'encontre des populations arméniennes des régions montagneuses de Zeïtoun et de Hadgine, avait concentré dans ces régions des forces militaires considérables, avec des canons et munitions, sous le prétexte de procéder à l'arrestation de quelques dizaines de déserteurs qui s'étaient réfugiés dans les montagnes. Malgré que la désertion du service militaire est un fait des plus communs en Turquie, le Gouvernement, influencé des insinuations calomnieuses et des suggestions mal intentionnées des musulmans de ces localités, a voulu prêter un caractère politique aux actes des déserteurs en question et de quelques autres Arméniens qui, pour des raisons purement personnelles, avaient également pris la fuite. C'était surtout sur les Arméniens de Zeïtoun que tombaient plus particulièrement les soupçons du Gouvernement turc.

A l'effet de nous rendre compte de la réalité des faits, nous avons cru de notre devoir de faire une enquête sur les lieux, en visitant personnellement Zeïtoun et ses environs. Nous résumons dans le présent rapport la situation telle qu'elle est présentée à nos yeux.

Marache.—Nous arrivâmes dans cette ville le 30 novembre dernier; toutes les mosquées étaient comblées de soldats ihtyat, au nombre de 3,000, qui avaient été envoyés ici comme une mesure de précaution contre Zeïtoun. Chaque fois qu'il y a un enrôlement ou une guerre, les Turcs de Marache, d'Albistan et de Gueuksoun s'ingénient à répandre des bruits alarmants d'une prétendue insurrection de Zeïtoun et protestent de l'insécurité de leurs vies dans le seul but de troubler l'esprit du Gouvernement central et de s'exonérer ainsi du service militaire. Le Gouvernement central peut aisément comprendre ces intrigues, mais cela ne l'empêche pas de persévérer dans la politique hostile qu'il s'est tracée envers ces Arméniens montagnards.

Zeïtoun.—Nous arrivâmes à Zeïtoun le 3 décembre; nous avons trouvé qu'il y régnait le calme et que tout le monde vaquait à ses affaires. Même les fonctionnaires turcs qui nous ont visité nous ont tous déclaré qu'une parfaite tranquillité régnait à Zeïtoun; il est vrai que c'était ces mêmes hypocrites qui avaient accablé le Gouvernement central de leurs rapports sensationnels. Nous avons constaté que la plupart des Zeïtounistes étaient dans une extrême misère et privés de vivres; c'est que les circassiens et les turcs des environs de Zeïtoun les avaient menacés et les avaient ainsi empêchés d'aller se procurer des provisions pour l'hiver.

Nous avons trouvé à Zeïtoun cinquante à soixante déserteurs et vingt à vingt-cinq fuyards pour des raisons diverses; nous les avons interrogés pour nous rendre compte des motifs de leur fuite. Les déserteurs nous ont assuré qu'il ne leur manquait pas la

bonne volonté de faire leur service militaire; mais ils n'étaient pas disposés d'aller s'étioler dans les casernes de Damas, de Bagdad, de Bassora, de Jaffa et du Yémen, comme ils n'étaient pas habitués au climat de ces régions lointaines; au surplus ils se plaignaient amèrement de la conduite grossière des officiers turcs et arabes qui, avec les propos injurieux tels que "guiayour" et "Khinzir" blessaient continuellement leur dignité et leurs sentiments religieux. Les Arméniens de Zeïtoun et de Hadgine habitués à une vie libre et indépendante dans leurs montagnes, ne pouvaient, en effet, supporter ces offenses. Nous avons demandé du Gouvernement, en premier lieu, d'accorder une amnistie à ces déserteurs et aux autres Arméniens réfugiés dans les montagnes pour des raisons diverses. Sept de ces derniers, déjà graciés, il y a quatre ans, n'avaient pas cependant profité de cette amnistie, victimes de la malveillance des fonctionnaires judiciaires de Marache. Le dernier Cabinet, faisant un accueil favorable à notre demande, avait bien lancé une dépêche d'amnistie pour les déserteurs et les fuyards de Zeïtoun et de Hadgine; mais le Cabinet actuel jeune turc dénie cette amnistie, alléguant que le "zidjr" (service de double durée) seul était pardonné aux déserteurs et que les autres fuyards devaient se livrer sans conditions aux autorités. C'était sur la foi de la première dépêche d'amnistie que les réfugiés arméniens de Hadgine étaient retournés à leurs foyers, mais les soldats les ont assiégés dans une maison et en ont tués quatre et arrêté deux (le 18 (31) janvier). Il est tout naturel que, après cet événement sanglant, les déserteurs et les réfugiés de Zeïtoun ne voudraient pas se risquer à retourner chez eux; aussi se trouvent-ils encore dans les montagnes. Voilà l'affaire à laquelle le Gouvernement turc s'efforce de donner un caractère politique, tandis que la vraie cause de cette situation est la duplicité et la malveillance de sa conduite.

Le Gouvernement turc, loin de sévir contre les bandits et les malfaiteurs turcs et circassiens qui pullulent aux environs de Zeïtoun, de Gueuksoun et d'Andéroun et ravagent la contrée, ne fait qu'imputer les méfaits aux déserteurs fugitifs arméniens, lesquels, même s'ils se permettent occasionnellement de voler, sont obligés de le faire pour ne pas mourir de faim.

Parmi les fugitifs de Zeïtoun j'ai rencontré un beau garçon de 19 ans, que j'ai réprimandé en ces termes:—

"N'as-tu pas honte de voler, n'as-tu point un métier, pourquoi fais-tu le voleur au lieu de vivre honnêtement de ton travail?"

Profondément touché et confondu de ces propos, il m'a répondu:—

"J'ai bien un métier: je suis coiffeur; mais le percepteur, pour les 12 piastres d'impôt de chaussée que je n'avais pas pu payer, a confisqué mon rasoir, ma glace et le reste de mes instruments de travail. Je ne pouvais plus rien faire, d'autant plus qu'à Zeïtoun il n'y a pas de travail pour gagner son pain; je suis nouvellement marié, et j'ai aussi une vieille mère. Ma femme et ma mère avaient faim, et moi, j'ai été forcé de rejoindre ces fugitifs et de faire le voleur; c'est pour ma subsistance et pour celle des miennes."

Cela prouve assez que c'est simplement la mauvaise attitude du Gouvernement turc qui a poussé ces misérables au vagabondage et au vol. Zeïtoun étant une contrée montagneuse et n'ayant pas de terres arables, ses habitants arméniens sont tombés dans une extrême pauvreté. Le Gouvernement, malgré qu'il ne fait point de chaussées, exige de cette pauvre population montagnarde des impôts pour la confection des routes; il veut en prendre des soldats pour les transporter dans des provinces éloignées sous le climat desquelles ils ne peuvent pas vivre. Les brigands turcs et circassiens qui ont attaqué et pillé les Zeïtounistes n'ont pas été arrêtés. Les chefs de ces brigands sont: Tcherkess Kiamil, de Kouzou-tépé; le gendarme Tcherkess Ali, de Khalakeny; Tcherkess Hussein, de Kouzou-tépé; Habech, de Kara Ahmed; Guérikhan-Oglou Chakir, du village Segloyen; Mourtaza, fils de Hadji Omar; Ali, fils de Derviche, du village Ahmedjik; Ibrahim, fils de Khalil Bozoglan-Oglou; Hadgi, fils de Dourmouch Aga; enfin, Ellez, du village Lezghi Tcherkess; et Mohammed, fils de Keur-Memmed, du même village. Ces deux derniers bandits avaient poignardé les deux frères Balbalian de Zeïtoun et volé leur argent. Les Zeïtounistes, qui sont obligés d'aller aux villages environnants turcs, circassiens, pour vendre la récolte de leurs vignes et de leurs arbres (raisin, raisin sec, noix, &c.) sont pillés de ces bandits. Les plaintes portées au Gouvernement sont toujours infructueuses; le Gouvernement les encourage en les laissant impunis. Le plan occulte du Gouvernement turc est d'opprimer et de vexer les Arméniens de Zeïtoun dans le but de les pousser à se réfugier dans les montagnes et à se défendre, pour avoir le prétexte de les considérer des rebelles et de les attaquer à

un moment propice. Les fonctionnaires turcs de Zeïtoun et de Maraché ne font que servir cette tactique du Gouvernement tachant de garder ces régions dans une situation toujours turbulante et jetant périodiquement des cris alarmistes comme quoi: "Les Zeïtounistes sont en état de révolte; ils refusent de payer les impôts, ils ne veulent pas faire le service militaire," et ainsi de suite.

En vue de mettre fin une fois pour toute à cet état de choses intolérable, les Zeïtounistes ont englobé leur desiderata dans un projet qu'ils ont présenté au Patriarcat arménien de Constantinople pour être soumis à la Sublime Porte. Nous ne trouvons rien d'extravagant dans ces demandes, qui sont d'ailleurs parfaitement conformes aux stipulations du statut garanti aux Zeïtounistes lors de la Capitulation de 1895.

Les principales revendications contenues dans ce mémorandum sont les suivantes:—

1. Il n'y a pas lieu d'envoyer à Zeïtoun des fonctionnaires turcs, étant donné que la population du district, qui compte 3,500 âmes, est presque exclusivement arménienne.

2. Le Gouverneur de Zeïtoun doit être un arménien chrétien, dépendant directement du Gouvernement central.

3. La gendarmerie, la police et les fonctionnaires du district doivent être recrutés de la population locale.

4. Les impôts doivent être institués par le conseil d'administration et être attribués entièrement à l'embellissement de la ville, aux traitements des fonctionnaires et aux autres dépenses locales, le déficit devant être couvert par le Trésor central.

5. Le district actuel de Zeïtoun n'ayant pas de terrains cultivables, ses limites doivent être élargies (d'après la délimitation désignée dans le mémorandum), afin que la population soit en état de se procurer les moyens de son existence.

6. Les soldats recrutés de Zeïtoun et de ses dépendances seraient confinés à exercer leur service militaire dans la caserne de Zeïtoun et cela seulement pendant quelques mois de l'année, le reste du temps étant libres de vaquer à leurs affaires et d'exercer leurs métiers (sauf en temps de guerre).

7. Le Gouvernement turc assumera la construction des chaussées de Zeïtoun à Maraché, à Albistan et à Gueuksoun, à ses frais; quant aux réparations de ses routes, c'est le conseil d'administration de Zeïtoun qui s'en chargera.

8. Les prêts consentis jusqu'à présent aux populations pauvres de Zeïtoun, soit par la Banque agricole, soit par le Trésor de l'Etat, seraient remis, celles-ci ne se trouvant pas en état de les rembourser.

9. Le conseil d'administration aura la faculté de concéder à des sociétés particulières l'exploitation des mines de fer et autres existant à Zeïtoun et d'entrer directement dans des engagements contractuels avec celles-ci, sauf à en donner ensuite communication au Gouvernement central, à titre d'information.

10. Le Gouvernement turc aurait à établir à Zeïtoun une fabrique de vin et de cognac, étant donné que le principal produit de la région montagneuse c'est le raisin.

11. Le Gouvernement aurait à allouer une contribution importante à l'œuvre de l'instruction publique de Zeïtoun.

12. Le personnel de l'administration et de la gendarmerie, tant à Zeïtoun que dans ses dépendances, serait recruté, conformément à l'article 3, parmi la population locale mixte, proportionnellement au nombre respectif des deux éléments chrétien et musulman.

Si ce projet est exécuté par le Gouvernement, une paix durable pourra être assurée à la population éprouvée de ces régions, qui serait ainsi sauvée de la misère et ferait des progrès, à l'avantage matérial et moral du Gouvernement même, à laquelle l'administration et les mesures exceptionnelles pour le maintien de l'ordre dans le district impose actuellement des frais considérables.

Fernouz.—C'est un village à une distance de six heures de Zeïtoun, composé de 300 maisons exclusivement arméniennes. Les habitants sont forts, braves et laborieux. A une heure de ce village, dans les localités de Sou-Tchati et de Tékir, stationnent 150 soldats, sous prétexte de la poursuite des fuyards arméniens de Zeïtoun.

Kuraghatch.—C'est un village arménien de cinquante maisons, situé au sud de Fernouz, où une cinquantaine de soldats, turcs forment une colonne volante constituée dans le même but.

Gueben.—C'est un village de 250 maisons, dont les habitants sont tous Arméniens. On voit ici des débris d'une ancienne forteresse historique où Léon de Lusignan, le dernier arménien de la Cilicie, après avoir été assiégé pendant neuf mois par les troupes du Sultan Eshref de l'Égypte, a été fait prisonnier et emmené en Égypte. A proximité de Gueben il y a un village turc composé de trente maisons où le Gouvernement

fait séjourner une garnison de 250 soldats, lesquels ont également la mission de poursuivre et d'arrêter les fuyards de Zeïtoun.

Chivilgui.—Ce village, composé de 300 maisons et dont les habitants sont tous Arméniens, est situé au sud-ouest de Gueben, à une distance de deux heures et demie d'Andéroun. Dans cette dernière localité le Gouvernement a aussi concentré une force de 300 soldats. C'est dans ce village turc d'Andéroun que se trouve le célèbre tyran turc Zulfibar Oglou Hadji Bey, lequel, entre autres exploits, a converti à l'islamisme, il y a deux ans, une femme arménienne et violé une autre jeune arménienne. Les Arméniens de Chivilgui sont devenus les esclaves de ce tryan, dont les acolytes pillent et dévalisent ouvertement les Arméniens désarmés; les soldats envoyés ostensiblement à leur poursuite, au lieu d'arrêter et délivrer à la justice ces malfaiteurs, se mettent à recherche de fuyards arméniens zeïtounistes qui n'existent pas.

Boundouk.—C'est un village arménien de soixante-dix maisons au sud-est de Gueben et de Chivilgui. Le nommé Ahmed Tchavoucho, de Gueuksoun, attaque en plein jour ce village et y opère des perquisitions, alléguant que les villageois cachent des fuyards de Zeïtoun. Non content de battre et de molester les paysans, il arrêté trois Arméniens innocents et les jette dans les cachots, où ils restent encore dans un état lamentable.

Yéridjé-Kalé.—Village arménien au sud-est de Chivilgui, composé de 100 maisons. Parmi les habitants de ce village une partie a embrassé le rite latin. Ici il existe un superbe monastère latin. Un scélérat turc, nommé Djennet, à la tête d'une bande de brigands, est devenu le vrai fléau de ces endroits. Il y a un an, il a égorgé deux Arméniens de Gueben et tout récemment encore un autre Arménien du nom de Kapeyan Panoss, père d'une nombreuse famille, également de Gueben. Le Gouvernement n'a pas encore arrêté ce brigand assassin.

Moudjouk-Déré.—C'est un village arménien de quarante maisons dont les habitants suivent le rite latin. C'est ici que se trouve le plus grand couvent des Latins. Lors de la grande insurrection de Zeïtoun, en 1895, les troupes turques sous les ordres du Binbachi Mazhar Bey, attaquent ce couvent, égorgent et ensuite brûlent le supérieur, Père Salvatore. Heureusement que les braves de Zeïtoun arrivent et réussissent à battre des Turcs et sauvent les survivants de la congrégation et les habitants du village qu'ils conduisent en bien sûr à Zeïtoun. Les nomes latins de ce monastère évoquent encore avec reconnaissance le souvenir de la bravoure des Arméniens de Zeïtoun et de l'humanité qu'ils ont témoignée pour eux.

Zeïtoun et Hadgine (un autre district arménien sur un chaîne du Taurus) constituent ensemble la région montagneuse de la Cilicie. La population arménienne de ces deux districts s'élève à plus de 80,000 âmes. Ces populations ne pouvent vivre en paix et en sécurité que si des réformes dans le sens du projet détaillé plus haut sont mis en exécution tant à Zeïtoun qu'à Hadgine.

[20328] No. 123.

Sir G. Lowther to Sir Edward Grey.—(Received May 3.)

(No. 357.)

Sir, *Constantinople, April 28, 1913.*

I HAVE the honour to enclose herewith, with reference to my despatch No. 320 of the 18th instant, copies of a despatch which I have received from His Majesty's consul-general at Beirout, relative to the agitation in that town incident on the closing of the Reformist Club by the authorities, and to his own action in the matter.

I have privately enjoined Mr. Cumberbatch to exercise extreme caution in undertaking the part of mediator, as it might, in certain quarters, be open to misconstruction.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 123.

Consul-General Cumberbatch to Sir G. Lowther.

(No. 34. Confidential.)

Sir, *Beirout, April 17, 1913.*

IN confirmation of my telegrams of the 12th, 13th, 14th, and 15th instant (Nos. 11 to 14), I have the honour to report that, as foreseen in the last paragraph of my

despatch No. 31 of the 10th instant, the abrupt closing of the Reformists' Club has been the cause of further trouble.

Considering that the Committee of Reforms, at which the blow was aimed, had been brought into existence at the invitation and with the tacit consent of the present Governor-General's predecessor, who had been instructed to ascertain the wishes of the inhabitants of this vilayet, and considering that the transformation of the Reform Committee into a club had not only been sanctioned by Edhem Bey, but had also been recognised in its representative character on one or two occasions by Hazim Bey himself, the unexpected closing of the club and the suppression of the Committee was naturally looked upon by the inhabitants, not merely as an insult, but as the death blow to all their dreams of a betterment which they had been led by the vali himself to look forward to.

The populace talked wildly of demonstrations, but the Committee decided upon getting up a public petition to the Grand Vizier; unfortunately the Governor-General, having been wrongly informed that the members of the Committee who were collecting signatures on the 11th April were inciting people to demonstrate, arrested five of their number that evening, and gave out that they would be tried by court-martial on the charge of disturbing the peace. The consequence of this act was to excite the public still more, and the next day, the 12th April, all the shops and offices remained shut, primarily as a protest against the arrest of representatives legally and publicly elected by them for a rightful and authorised purpose of public interest, but likewise on account of the suppression of the club and Committee.

I understand that the official report to the Sublime Porte made out that the perturbers arrested were a "handful of bad characters" desirous of creating disturbances, and that only a few shops were shut. As a matter of fact, only greengrocers, bakers, butchers, and pharmacies opened under special arrangement, the object of the promoters of the demonstration being to bring about a standstill in the general commerce and trade of the place.

The people having declared their intention of remaining closed until the five men were released and the Reformist Club reopened, and the Governor-General having declared that he was determined to treat the reform movement as partaking of a seditious nature, I accepted the rôle of intermediary which an important deputation of Christians and Moslems asked me to undertake, and which the Governor-General accepted in my purely unofficial capacity.

After two or three interviews, with the vali on the one side, and with members of the Reform Committee on the other, I was happily successful in arranging the basis of an agreement between the vali and two representatives of the townspeople, chosen by me (one Moslem and one Christian), whereby his Excellency undertook to release the five arrested persons that afternoon, and the people were to resume business the next day (the 14th).

The vali, after obtaining the sanction of the Government, kept his promise, and by 10 P.M. of the 13th the court-martial at a specially convened sitting had decided upon the acquittal of the accused, who were immediately released.

It would have been better if the vali had been able to accept this arrangement on the 12th, or earlier on the 13th, for by hesitating so long he gave opportunity for the assembling of large groups of people getting more excited and more determined to hold out as time went by and their friends were not released.

Consequently, by the morning of the 14th, when they should have opened as agreed upon, they had got out of hand and would not obey the orders of the Committee to reopen, but insisted upon the repeal of the obnoxious order against the Reformist Club and Committee.

Having heard from the vali that if the shops were not opened by midday he would réarrest the five men and all the other members of the Committee, I begged of him to give them till the next morning, which he wisely did.

In the meantime I gave the people to understand, through their representatives who had induced me to intervene, that if they persisted in not opening the next morning I would have to look upon such refusal as a breach of faith on their part, and they would have to take the consequences of their failure to carry out the conditions accepted on their behalf.

They finally gave way, and resumed business on the 15th, thus avoiding a collision with the authorities which I have every reason to believe needed very little more to bring about.

Thus ended peaceably what will probably be looked back upon as the first episode in the Syrian reform campaign, which, if not judiciously treated, may develop into a

much larger movement of a separatist nature suggested to one's mind by the display of unfaltering solidarity of purpose by the Moslems and Christians on this occasion.

The Reform Committee have solemnly asserted all along that they have no separatist intentions, but simply a most earnest determination to work hard and persistently by every "pacific" means in their power to persuade the Government of the absolute necessity of introducing reforms enunciated in their scheme; if, however, measures of repression are resorted to, they cannot be held responsible for the actions of the inhabitants.

They feel that though the demonstrations of these last days have not secured anything very tangible in the way of reforms, yet they can say that the agitation conducted by them up to then contributed considerably to the promulgation of the law on the vilayets earlier than was intended by the Government, and that they have had an opportunity of gauging the earnestness of the people for reforms and their determination to support the Reform Committee.

I was, of course, most careful, in my interviews with the vali and with the persons who came to me, to make it perfectly well understood that the assistance given by me in arranging matters should not be interpreted as in any way supporting the reform party as such, but merely as a desire on my part to bring about an understanding between them and the vali to prevent a collision, which I was given to understand both parties were sincerely desirous of avoiding.

The Committee, though considered dissolved by the vali's order of the 8th April, will now continue to urge the adoption of its scheme at Constantinople, but the temper of the people has been roused, and if the authorities persist in treating the movement for reforms as seditious and act accordingly, the demonstrations will be at once resumed, commencing with the cessation of all business.

I have, &c.

H. A. CUMBERBATCH.

[20370] No. 124.

India Office to Foreign Office.—(*Received May 3.*)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 1st May, 1913, regarding the Turco-Persian frontier.

India Office, May 2, 1913.

Enclosure in No. 124.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *May 1*, 1913.

WITH reference to your telegram regarding Mohammerah frontier, dated the 28th ultimo, following telegram received from Resident in Persian Gulf:—

"The lands along Khaiyin between Diaiji and Falliyeh are, as is known to His Majesty's Government, of the greatest value to the sheikh; for us to let the Turks get them seems out of the question, in view of necessity for us to maintain our influential position with sheikh unimpaired. I presume, therefore, that His Majesty's Government have acceded to the proviso made by Hakki Pasha, only because they consider it to be merely formal and have every intention to prevent it being made more than that. It is, I think, essential that we should point this out to the sheikh when giving him the warning. Instructions to this end are solicited.

"Information which I have received reveals a very strong inclination prevailing among the Arabs of Mesopotamia and the Shatt-el-Arab to seize the opportunity now afforded by Turkey's weakness to make themselves independent of her, and seeing to what a very pronounced extent they are under the influence of Mohammerah and Koweit, one can have little doubt what would be consequence if the Ottoman Govern-

ment ill-advisedly attempted to attack Mohammerah's interests in the manner adumbrated by the proviso. In all other respects, of course, the settlement is eminently satisfactory."

Resident's views meet with our strong support, and authority to inform the sheikh as he suggests will, we trust, be given him.

[20228] No. 125.

Sir Edward Grey to Sir G. Lowther.

(No. 204.)
(Telegraphic.) R. *Foreign Office, May 3, 1913.*

YOUR telegram No. 210 of 29th April: Situation at Basra.

"Alert" will be at Basra by 4th May.

[19909] No. 126.

Sir Edward Grey to Sir G. Lowther.

(No. 206.)
(Telegraphic.) *Foreign Office, May 3, 1913.*

YOUR telegram No. 203 of 22nd April: Protection of Muscat subjects abroad.

Natives of Muscat should not be considered as entitled to good offices of His Majesty's representatives except in cases where letter of recommendation has been granted by political agent at Muscat.

You should instruct vice-consul at Hodeidah accordingly.

Correspondence on subject will be sent to you.

[21040] No. 127.

Sir Edward Grey to Sir E. Goschen.

(No. 152.)
Sir, *Foreign Office, May 3, 1913.*

THE German Ambassador informed me to-day that the Deutsche Bank wished to have the building of the Bagdad Railway beyond Bagdad, even if it was a Turkish concession; but in the circumstances they would agree to two British directors for this part of the work. Their agreement to this would be facilitated if British capital would come in. They would also be willing to give up any idea of construction beyond Basra, but they would want some indemnity for giving up this part of the concession.

I said that I thought that all the concession beyond Bagdad had already been given up in return for concessions made by Turkey elsewhere, especially in the neighbourhood of Alexandretta; and that Turkey was now entitled to build the railway beyond Bagdad as she liked, provided that, if she asked for any foreign participation, she gave Germany as large a share as any other country. I did not, therefore, see how Turkey could again have to pay an indemnity for the giving up of any part of a concession as regards which she had already purchased her freedom of action, subject to the condition of participation of German capital which I had stated. I had, however, been unable to attend to any details of this subject lately, and I would ask the Ambassador either to discuss them with Sir Louis Mallet or to authorise Herr von Kühlmann to discuss them.

The Ambassador also said that the Deutsche Bank hoped that we would give support on the commission in Paris as to the replacement of securities lost during the war, which were pledged to the Bagdad Railway.

I am, &c.
E. GREY.

[20389] No. 124*.

Anglo-Persian Oil Company to Foreign Office.—(Received May 3.)

Winchester House, Old Broad Street, London, May 2, 1913.

Sir,

I BEG to acknowledge receipt of your letter of the 30th ultimo transmitting copy of a further despatch from His Majesty's Ambassador at Constantinople reporting on a conversation which he has had with the Turkish Grand Vizier on the subject of the Mesopotamian oil concession.

With reference to the second paragraph of this despatch I am pleased to learn that it now appears that a new contract was not concluded between the German company and the Ministry of Finance, but that at the interview on the 14th April Mahmud Shevket Pasha was merely referring to the transfer of the rights of the Civil List to the Ministry of Finance, whereby a concession granted by the former would have to be recognised by the latter Department.

The question of the proposed amalgamation of rival interests is referred to in my letter to you of the 29th ultimo, and I have no further observations to offer thereon.

The admission of the Grand Vizier as to the non-existence of any new contract confirms the view we have always held, and have represented to you, as to the extreme intangibility of the German claim, and we trust that his Excellency will be able to take advantage of this in pressing the Turkish Government to an early recognition of our rights.

I have, &c.
C. GREENWAY, *Managing Director.*

[20466] No. 128.

Sir G. Lowther to Sir Edward Grey.—(Received May 4.)

(No. 217.)
(Telegraphic.) *Constantinople, May 4, 1913.*

YOUR telegram No. 205 of 3rd May.
Following from consul at Adana to-day :—

"Your Excellency's telegram No. 5.

"Up to date between two and three hundred families of refugees have arrived. Work has been provided for many of these in the town, and the Turkish Government is settling others in the neighbourhood of Hamidiyeh. Information given to Foreign Office is exaggerated, and the Armenians are in no danger."

[20498] No. 129.

Sir G. Lowther to Sir Edward Grey.—(Received May 5.)

(No. 364.)
Sir, *Constantinople, April 29, 1913.*

I HAVE the honour to transmit herewith copy of a despatch from His Majesty's vice-consul at Hodeidah, reporting the departure of an Ottoman mission, headed by Mahmoud Nedim Bay, to visit Syyed Mahomed El Idrisee at Loheia.

The activities of Consul-General Toscani, the appointment of an Italian vice-consul to Mocha, and other indications reported in despatches from Hodeidah, would seem to indicate that Italy now regards Yemen, to a certain extent at least, as her sphere of influence. Italian political activities with Syyed Idris evidently did not cease with the war, and it may not be without interest to note that the Farsan Islands, where Germany had designs of establishing a coaling station, are within the sphere of Syyed Idris.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 129.

Vice-Consul Richardson to Sir G. Lowther.

(No. 10.)
Sir, *Hodeidah, March 25, 1913.*

I HAVE the honour to report the arrival here from Sana'a on the 13th instant of Mahmoud Nedim Bey, the Vali of the Yemen, *en route* to Loheia, whence he will head a mission to the Assyr Pretender, Syyed Mahomed El-Idrisee. With his Excellency were Hussain Kiamil Bey, the president-in-chief of the "Cheri" Courts in this vilayet, and Syyed Kassim Izzi, of Randah (near Sana'a). The latter will watch the Imam Yahya's interests in the negotiations that will take place.

The mission was joined at Maraiwar by Syyed Abdul Bari and Syyed Abdul Rahman, a Yemen ex-deputy. Both these syyeds have considerable influence in the Tehema.

The party proceeded to Loheia in the steamship "Wissmann" on the 20th instant. It is expected that it will be reinforced at that place by General Said Pasha, the commander-in-chief of the Yemen Army Corps, who is still with the Assyr expeditionary force at Zahra; also by Sherif Hamood, an influential Arab notable from the Zahra district.

I inferred from Mahmoud Bey that the mission would meet the Pretender personally at a place called Habl, which is a small port about 50 miles to the north of Loheia.

The above mission has for its object the discussion with the Syyed Idrisse, the situation in Assyr, with a view to finding a *modus vivendi* for the pacification of that troublous province.

The Porte, from all accounts, it would appear, is prepared to grant a form of autonomy under Ottoman suzerainty to the Pretender referred to in the Aboo Arish district, and to extend his jurisdiction to the eastern, *i.e.*, Yemen borders of Assyr.

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In the above circumstances, the ports of Habl, Midi, Geezan, and Birk, and the Farsan Islands, now actually in the hands of that rebel, in which, with the exception of the Farsan Islands, Ottoman sway cannot be said to have been more than nominal prior to Italo-Turkish hostilities, would be formally ceded.

The Porte insists that the Ottoman flag that has been displaced by a special green one representing the Idrisee's colours, should be re-exhibited at the above-mentioned places.

It is, however, doubtful whether Syyed Mahomed will consent to substitute the Osmanli flag for his own.

I further learn that while the revenues of the proposed autonomous district will be appropriated, as they have virtually been done for some time past by the Pretender, and that the local Turkish administration will refrain from interference in its internal affairs, there will be a proviso in the arrangement whereby no concessions will be granted to, nor relations entered into with, foreigners without the consent of the Ottoman Government.

Two explanations have been submitted for the anxiety of the Turkish Government to complete an *entente* with the rebel Pretender at the present juncture, notwithstanding its concentration of a force at Zahra under Said Pasha, and another in Assyr under Feysul Bey, son of the Grand Shereef of Mecca, ready to strike and bring about his subjugation.

One of these attributes such to its determination to counteract Italian intrigue and influence in that syyed's sphere of influence. It is even stated, and generally believed, that there was a secret and unpublished clause in the recent Treaty of Lausanne providing for the grant, at a convenient period, of autonomy in Northern Yemen to Syyed Mahomed Idrisee, the ally of the Italians in their hostilities directed against the Yemen coast during the late war.

In certain quarters, on the other hand, it is supposed that the fast growing influence of the Imam Yahya has been the determining factor in the present move.

This notable has been a serious drain on the resources of the local administration since the well-known arrangement between him and Izzet Pasha was entered into.

It might be recalled that when Syyed Mahomed Idrisee was co-operating with the Italians last year, the Turks were compelled to have recourse to the Imam's assistance with the view to crushing him. It was then agreed that the Turks should furnish Yahya with arms and ammunition for the purpose, and that they should pay "blood money" for such of his followers who should be killed during the operations that ensued against the Idrisee.

Hardly a fortnight has passed since without the military authorities being obliged to comply with Yahya's indents for ammunition, or the Treasury to respond to his demands for the payment of "blood indemnity" for numbers of tribesmen supposed to have been killed.

In fact, after the cessation of Italo-Turkish hostilities and the conclusion of peace, at which it was stipulated that an amnesty would be granted to Syyed Mahomed Idrisee, it was found hard to stay the Imam's hand against the latter—a means whereby he had been enabled to rapidly fill his treasury, and also to replenish his arsenal at Turkish expense.

It is not, therefore, surprising that the Turks are equally anxious to checkmate Yahya's fast spreading influence as they are to divert foreign intrigue from Syyed Mahomed's stronghold.

Notwithstanding the generous terms alleged to have been offered to Pretender in Assyr, local opinion is very pessimistic as to the result of the negotiations about to be conducted with that notable, as undercurrents of intrigue are already in motion in his territory.

Recently I learnt from a reliable source that when Cavalier Toscani, as has been reported, called at Salif in the Italian gunboat "Curtatone," he is supposed to have despatched a messenger with a letter to Syyed Mahomed Idrisee, possibly with the object of forestalling the Ottoman mission referred to in this despatch

I have, &c.

G. A. RICHARDSON.

[20504] No. 130.

Sir G. Lowther to Sir Edward Grey.—(Received May 5.)

(No. 370.)

Sir, *Constantinople, April 20, 1913.*

WITH reference to my despatch No. 329 of the 19th instant, I have the honour to transmit herewith copy of a despatch from His Majesty's vice-consul at Adana, giving an account of the recent incident at Hajin.

This incident, as reported by Mr. Matthews, presents a further symptom of the unrest existing in the Adana district, and of the likelihood that regrettable events may still occur there.

The gendarmes at Hajin are presumably some of those recently transferred to Adana from Salonica, and are consequently specially devoted to the Committee of Union and Progress.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 130.

Vice-Consul Matthews to Sir G. Lowther.

(No. 20.)

Sir, *Adana, April 22, 1913.*

WITH reference to my despatches Nos. 16 and 18 of the 16th and 18th instant, I have the honour to transmit to your Excellency the following account of the recent incident at Hajin, which I received to-day from a reliable source there:—

It seems that on the 15th instant two drunken gendarmes started a quarrel with an Armenian woman in the market. A man standing by asked them what right they had to abuse the woman without a cause. At this they started to quarrel with the man. A crowd gathered and more gendarmes came, in all about ten, loaded their rifles, and fixed bayonets. They struck one woman with the flat of a sword and wounded one man in the hand with a bayonet. Just then, as they were taking aim to fire on the people, some influential men came along and persuaded them to desist. The kaimakam ordered the gendarmes out of the town to the barracks, and he himself with some soldiers kept watch that night. The people think that there was a plan to burn the town, as one of the gendarmes said to the people, "Certainly you only have two days to live anyway." And they say that several Turks have openly said that they intended to burn the town.

I have, &c.

W. D. W. MATTHEWS.

[20507] No. 131.

Sir G. Lowther to Sir Edward Grey.—(Received May 5.)

(No. 373.)

Sir, *Constantinople, May 1, 1913.*

WITH reference to my despatch No. 299 of the 10th ultimo, I have the honour to forward herewith a despatch from His Majesty's consul at Aleppo on the subject of the cost of the construction of the railway station at that town. The statement in Mr. Fontana's despatch No. 17 of the 25th ultimo that the station had already cost nearly 1,000,000*l.* seemed so incredible that he was asked to furnish details on the subject.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 131.

Consul Fontana to Sir G. Lowther.

(No. 23.)

Sir, *Aleppo, April 16, 1913.*

I HAVE the honour to acknowledge the receipt of your Excellency's telegram of the 10th instant referring to my despatch No. 17, Confidential, of the 25th ultimo, and

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enquiring whether it would be possible to substantiate the report alluded to therein that the terminus station at Aleppo of the branch line of the Bagdad Railway had already cost upwards of 1,000,000*l.*

According to notes furnished to me by a clerk of the company who holds the register containing plans drawn up, I believe, in Frankfort, the following are the measurements specified for the Aleppo terminus:—

Total length, including sheds and workshops, 3 kilom., 300 metres;
Breadth at site of station buildings, 200 metres;
Breadth at site of workshops, 250 metres;
Estimated cost, 10,000,000 M.

Work on this station has been proceeding for the last two years; the principal buildings have hardly been begun, but all the rails and sidings have been laid down, and seem excessive in number. The material is excellent. It is stated that the estimated cost, viz., 500,000*l.*, is far short of the actual expenditure up to date, although the work of construction is so backward. I cannot, however, vouch for the accuracy of this statement. I returned a few days ago from a trip up the line to Jerablus. Work has recommenced on the buildings at the various stations and is proceeding slowly. The buildings are extremely solid and built of cut stone. The roofs, nevertheless, are of slate, and each building is separate, however small, and is fitted with large windows. The buildings were planned in Frankfort, and are ill-adapted for this hot climate. Most of those completed, or nearing completion, are of only one storey. Four temporary one-storied houses constructed principally of mud-brick, with cement roofs, have been erected at Jerablus. The head engineer of the section and his subordinates occupy three of these houses, the fourth serving as a hospital. I am assured that the total cost of these four temporary buildings, which will be evacuated at the end of five years, was 10,000*l.*

I may mention that the two Englishmen excavating at Jerablus on behalf of the British Museum have built themselves an eight-roomed house of one storey of mud-bricks, rubble stone, and timber, which, with occasional repair to the roof and plastering, will last for many years. Its total cost was 100*l.*

The temporary wooden bridge spanning the Euphrates is now complete, and is 1,000 metres in length. It is built on wooden piles driven into the bed of the stream, and appears to be well constructed. The piles, however, were not shod with iron—they were simply sharpened at one end. They were imported ready shaped from Europe. The line across the bridge is finished, and I saw an engine and trucks crossing at a snail's pace. It is unsafe, it seems, for heavy rolling-stock to cross the bridge at any other speed. I was told at Jerablus that this temporary bridge had cost 1,000,000 M. (50,000*l.*).

Meissner Pasha, chief engineer of the Bagdad section, arrived here the other day from Bagdad. He has informed friends that work on the line there cannot proceed, owing to adverse political influence and lack of funds. Three inspectors have also arrived to enquire into matters connected with the Bagdad Railway. They are Herr Riese, director-general of the Bagdad Railway; his assistant, Herr Bishof; and Herr Cuno, chief architect to Messrs. Philip Holzmann & Co., Frankfort. They have left for Jerablus, and, on their return, are to proceed to Alexandretta.

I have, &c.
R. A. FONTANA.

[20609] No. 132.

Sir G. Lowther to Sir Edward Grey.—(Received May 5.)

(No. 375.)
Sir, *Constantinople, April 30, 1913.*

I HAVE the honour to transmit a despatch, No. 8, of the 3rd April, from His Majesty's vice-consul at Mosul on the subject of the Kurdish movement for autonomy and the efforts of Hussein Pasha and Abdurrezak Bey to promote it. Both are sons of the Kurdish chieftain Beder Khan, who, until 1880, enjoyed autonomy in the Hekkiari district under the suzerainty of the Sultan. The ex-Sultan broke his local power and influence and brought his sons to Constantinople, where they were given posts and titles, but were virtually retained as hostages.

Abdurrezak Bey, who speaks French well and frequented European society in the capital, was for years assistant master of the ceremonies to Abdul Hamid. In 1907

Redvan Pasha, the prefect of Constantinople, was murdered at the instigation, it was supposed, of the members of the Beder Khan family, who were at feud with the pasha. Abdurrezak Bey, with his relatives, were exiled to Tripoli, in Barbary, where they were tried and condemned to various terms of imprisonment.

After the change of régime in 1908 they returned to the capital to find the Committee of Union and Progress in power. The committee, alarmed at the possibility of the Kurds and Armenians combining in a real "fraternity," had adopted the policy of dividing both elements and setting the sections against one another. Abdurrezak Bey and his relatives were opposed to this policy and in favour of an understanding between all the elements in Kurdistan. He consequently became the object of persecution and menace at the instigation of the committee. Finding the capital no longer safe, he determined to proceed to Kurdistan, viâ Russia, to start an anti-committee movement on autonomous lines, combined with a liberal and friendly policy towards the Armenians, and, it is asserted, he met with encouragement and assistance from the Russian authorities in the Caucasus. This would seem to explain Mr. Hony's allusion to "Russian intrigues."

Abdurrezak Bey is more anti-committee than anti-Ottoman, and the whole movement bears a strong resemblance to the anti-committee struggle of the Albanians in 1910, 1911, and 1912. Should the Committee of Union and Progress remain in power, the autonomist tendencies among the Kurds are likely to gather force, and would probably have the secret sympathies and support of the bulk of the Armenians. The Committee's instinct would be to combat and counter the movement by sowing dissensions and fostering discord between Kurds and Armenians.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 132.

Vice-Consul Hony to Sir G. Lowther.

(No. 8.)
Sir, *Mosul, April 3, 1913.*

WITH reference to my telegram No. 5 of even date, I have the honour to submit the following remarks on the movement for autonomy among the Kurds and the Russian intrigues which are intimately connected with it.

The beginning of the autonomous Kurdish movement was probably contemporaneous with the new régime in Turkey. The archives of the embassy of two and three years ago will show a few references to the names of Hussein Pasha and Abdurrezak Bey as the promoters of the movement. But it is more particularly since the Turkish defeats in Europe that it has begun to make any real headway. The military downfall of Turkey has encouraged the promoters, and has doubtless brought into the movement many who were afraid to join it before. To this cause must be added the withdrawal of the Turkish troops from the disputed zone of the Persian frontier and the consequent approach of the Russians and increase of their intrigues.

Hussein Pasha Bederkhanzadé has been systematically touring the country, canvassing for the cause. Besides Kurds he visited Mar Shimun and also the Yezidis of the Sinjar, who are said to have promised them their support.

Jezireh is the centre of the movement, being the headquarters of the Bederkhans. It is said that Hussein Pasha has there been openly preaching independence and resistance to the Turks, and doubtless the government of that district is entirely in his hands; but that is nothing exceptional, for Amadia, Aera, Rowanduz, and Suleimanieh, are all in the same relation to their ruling agas.

If the movement were confined to Jezireh and neighbourhood there would have been little reason to apprehend any serious results from it. But it is a far more serious sign that Kurds near the Persian frontier are involved in it; for they can have direct dealings with the Russians, who can, and probably do, supply them with arms, to the detriment of those Kurds who are inclined to oppose the Russians.

As I reported in my telegram, Seyyid Tahir and Abdurrezak Bey have openly thrown off allegiance to Turkey, and are claiming as independent country the districts of Jelu and Neri and the country that lies between those places and a line drawn from Chal over the Shirindagh towards Shau. Now the Sheikh of Barzan owns some twenty villages in this country, and he is naturally rather perturbed at the action of his neighbours. He recently visited Amadia and then proceeded to Dohuk, where he now is. He has been conferring with the Kurdish chiefs in these parts, with the intention

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of forming an anti-Russian league. The conference of chiefs has sent a telegram to the Porte, explaining the state of affairs and asking what they are to do.

The Moktoubji of Mosul, who, as I informed your Excellency in my despatch No. 6, has been appointed mutessarif in the Yemen, has suddenly disappeared from Mosul, and there can be little doubt that he has gone to join his brother, Hussein Pasha, at Jezireh.

I do not anticipate any great development of this movement at present, but it is one which may be capable of causing serious embarrassment to Turkey in the future. It will probably rise and wane according to the needs of Russian policy.

I have, &c.
HENRY C. HONY.

[20578] No. 133.

Sir G. Lowther to Sir Edward Grey.—(Received May 5.)

(No. 218.)
(Telegraphic.) *Constantinople, May 4, 1913.*

MY immediately preceding telegram.

Following from consul at Adana to-day :—

"My telegram No. 22.

"No grant of land has been made to refugees settled at Hamidieh, but employment has been found for them."

[19825] No. 134.

Sir Edward Grey to Tewfik Pasha.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Turkish Ambassador, and has the honour to acknowledge the receipt of his Highness's memorandum of the 28th ultimo, relative to the alleged pollution of the waters of the Shatt-el-Arab caused by the works established by the Anglo-Persian Oil Company on Abadan island.

Sir E. Grey has the honour to inform Tewfik Pasha in reply that the company have been asked to furnish their observations on the statements contained in his Highness's communication, and that His Majesty's consul at Mohammerah has been instructed to draw up a report on the subject.

Foreign Office, May 5, 1913.

[19825] No. 135.

Foreign Office to Lieutenant-Colonel Sir P. Cox.

(No. 6.)
Sir, *Foreign Office, May 5, 1913.*

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a memorandum left at this Office by the Turkish Ambassador at this Court,* relative to the alleged pollution of the waters of the Shatt-el-Arab caused by the works established by the Anglo-Persian Oil Company on Abadan Island.

I am to request that you will instruct His Majesty's Consul at Mohammerah to furnish a report on the subject, and to add that the company have been asked to furnish their observations on the statements contained in the paper.

I am, &c.
LOUIS MALLET.

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* No. 107.

[19790] No. 136.

Foreign Office to Private Secretary to the Archbishop of Canterbury.

Sir, *Foreign Office, May 5, 1913.*

WITH reference to the letter from this Office of the 11th ultimo, relative to the Archbishop of Canterbury's mission to the Nestorian Christians, I am directed by Secretary Sir Edward Grey to transmit to you herewith, for his Grace's information, an extract from a report from His Majesty's vice-consul at Mosul, received through His Majesty's Ambassador at Constantinople, which deals with the present attitude of this religious body.*

I am, &c.
LOUIS MALLET.

[19825] No. 137.

Foreign Office to Anglo-Persian Oil Company.

Sir, *Foreign Office, May 5, 1913.*

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a memorandum left at this Office by the Turkish Ambassador at this Court,† relative to the alleged pollution of the waters of the Shatt-el-Arab caused by the works established by your company on Abadan island.

I am to state that Sir E. Grey would be glad to receive any observations which you may have to offer on the statements contained in this paper.

I am, &c.
LOUIS MALLET.

[20862] No. 138.

Admiralty to Foreign Office.—(Received May 6.)

Sir, *Admiralty, May 5, 1913.*

IN reply to your letter of the 10th March, respecting the title of the British naval officer whom it is desired to appoint on the staff of the projected Shatt-el-Arab Conservancy, I am commanded by my Lords Commissioners of the Admiralty to request that you will represent to the Secretary of State for Foreign Affairs that there appears to be some misapprehension as to the meaning of the names "Inspector of navigation" and "Captain of the port," which have been suggested by the Admiralty in previous correspondence.

2. Reference to the staff of the European commission of the Danube (which is perhaps the nearest existing parallel to the proposed conservancy) will show that among the six principal officers there are two with the designation "inspecteur de la navigation" and "capitaine de port" both retired naval officers. The former is believed to supervise the lighting and buoyage, and advise on hydrographical matters generally, but has no executive duties with regard to the shipping using the river; the latter is the equivalent of a "harbourmaster" (or at a naval port the "King's harbourmaster"), and is understood to be in charge of the pilotage service and the berthing of vessels using the port. The latter only would come into direct relation with foreign shipping.

3. In the case of the Shatt-el-Arab Conservancy, where, owing to the smaller amount of traffic, one naval officer only would be required, the name "inspecteur de la navigation" appears to my Lords suitable, and has the advantage of indicating that the supervision of lighting, buoyage, &c., is his primary function. Arrangements would have to be made so that his authority would be in no way obtruded on the masters of foreign ships, and the proposed name at any rate is not such as to suggest authority of that kind.

4. The title suggested by Sir E. Grey (Inspector of River Conservancy) is a new one, and appears to my Lords somewhat cumbrous. It could apparently be reduced without loss of meaning to "conservator," but that title would only be appropriate to the two members of the "conservancy" themselves.

* Vice-Consul Hony, No. 6, March 28, 1913. † No. 107.

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5. Whatever the decision may be as regards the title, my Lords would deprecate any attempt to minimise the status of the post. While its holder would be unquestionably subordinate to the two commissioners, it appears to be essential that he should be an officer of sufficiently high rank and qualifications if the post is to be of any real use.

I am, &c.
W. GRAHAM GREENE.

[19208] No. 139.

Sir Edward Grey to Sir G. Lowther.

(No. 207.)
(Telegraphic.) *Foreign Office, May 6, 1913.*

TURKISH Government have applied to us through Turkish Ambassador here for loan of officials under new law on vilayets which they propose to enforce at once in Eastern Anatolian secteur (comprising vilayets of Van, Bitlis, Mamuret-el-Aziz, and Diarbekir) and Northern Anatolian secteur (comprising vilayets of Erzeroum, Sivas, and Trebizond).

They ask for inspectors of gendarmerie, agriculture, and public works for each of these secteurs, for seven gendarmerie officers (one for each vilayet), and for an adviser and an Inspector-General of the Ministry of the Interior.

I propose to reply that, while we are desirous of assisting the Turkish Government as far as we can in carrying out their intentions of introducing reforms, we do not wish to lead them into difficulties with foreign Governments which engagement of subjects of one Power in so many branches of administration might possibly do. We could not well avoid mentioning the matter to the Russian Government, whose territory borders on secteurs mentioned, in order that they may be under no misapprehension as to our attitude.

I should doubt if it would be advisable to have both a British adviser and a British Inspector-General at the Ministry of the Interior, and I should be inclined to eliminate the former altogether and be content with a British Inspector-General and also to have British officers for the gendarmerie. As to Justice and Forestry, former might go to French and latter to German or Russian, and as to Public Works, if very desirable, I would consent to British officials—though perhaps it would be wiser to give that Department to another nationality. Before saying anything to Turkish Ambassador I should be glad to have your observations.

[20977] No. 140.

Sir G. Lowther to Sir Edward Grey.—(Received May 7.)

(No. 379.)
Sir, *Constantinople, May 3, 1913.*

IN reply to your despatch No. 112 of the 17th ultimo, I have the honour to furnish the following information which I have obtained from Mr. E. Whittall, the acting manager of the National Bank of Turkey, concerning the Anglo-Belgian group referred to in the letter from the Euphrates and Tigris Steam Navigation Company of the 11th ultimo.

In March 1912 a German gentleman named Wohl called on Mr. Whittall and said that he represented a strong Belgian syndicate (Mr. Whittall could not recall the names of the firms concerned) which was in treaty with the Turkish Minister of Finance for the acquisition of the monopoly of the navigation of the Mesopotamian rivers to be worked by a company formed by the amalgamation of the three existing navigation companies, viz., the Turkish Idaré Nahrié, the Transports fluviaux, and the Euphrates and Tigris Steam Navigation Company. Herr Wohl's friends had secured the co-operation of the Eastern Bank, an Indian financial house which was opened in Bagdad rather more than a year ago,—and he now came to sound Mr. Whittall as a director of the National Bank and as Messrs. Lynch's representative in Constantinople (as a matter of fact Mr. Whittall had given up this agency). M. Whittall said that he would consult Sir H. Babington-Smith and Mr. Lynch.

As the result of his own further enquiries, Mr. Whittall learnt that, as Herr Wohl had said, the proposal was favourably received by the Ministry of Finance, who had, however, stipulated that in consideration of the monopoly, and of the making over of the

fleet of the Idaré Nahrié, the Turkish Government should receive 50 per cent. of the share capital in fully paid up shares, and that the remaining capital should be provided from neutral states, *i.e.*, not by British, German or French financiers.

Mr. Whittall then laid the case before Sir H. Babington Smith and Mr. Lynch, the former of whom declined participation on behalf of the National Bank, while the latter expressed his readiness to join the enterprise but only on condition that the Euphrates and Tigris Steam Navigation Company should not be absorbed by the new company.

Herr Wohl appears to have pushed the matter with considerable activity during the summer and in October again approached Mr. Whittall, who informed him of the replies received from the National Bank and Mr. Lynch, and further suggested that the various permits to run steamers on the Tigris granted to natives by the local authorities (as *e.g.*, that possessed by Aghn Jaffer) seemed to stand in the way of a monopoly. Herr Wohl replied that these permits had not been confirmed by the Porte and could be revoked.

All this information is in the possession of Mr. Lynch, and his suggestion that the proposal was instituted by the National Bank is therefore incorrect. (Mr. Parry's letter of the 13th March, 1913).

Mr. Whittall believes that since the outbreak of the Balkan war the matter has not been pursued further here as Herr Wohl has been away for some months.

Sir R. Crawford had heard nothing of Herr Wohl's proposals and he believes that the German group is also unaware of them, and cannot therefore have "thrown cold water on them" as stated in Mr. Parry's letter.

In view of the declarations so often made by the Government that the navigation of the Euphrates and Tigris is reserved to natives, and to companies formed exclusively of Ottoman shareholders, it is difficult to see how the monopoly, which Herr Wohl desires to obtain can be granted, unless the Government is prepared to submit the question to the Chamber and obtain its assent to it, and as Sir R. Crawford has never been consulted by the Government in regard to the scheme, I am led to think that its practical chances of success are small, and that in considering the present situation we can assume that it has been dropped. It would perhaps, however, be as well to enquire of Messrs. Lynch what grounds they have for believing that the Anglo-Belgian group, the English element in which is apparently represented not by the National Bank but by the Eastern Bank, is still continuing its negotiations. (Mr. Parry's letter of the 11th April). If I have correctly understood Messrs. Lynch's letter of the 11th instant I gather that their position, *vis-à-vis* of the Deutsche Bank's proposal, is that they are quite willing to admit Turkey to a share in the existing Société de Transports fluviaux—which, I may remark, is expressly provided for in the statutes of the company, (see enclosure to Mr. Marling's despatch No. 675 of the 8th August last); but that if it is proposed to transform this temporary concern into a permanent company, incorporating both the Idaré Nahrié and the Euphrates and Tigris Steam Navigation Company, they decline the proposal, although they would be ready to assist in the formation of an Anglo-Germano-Ottoman company possessing exclusive rights of navigation, but always provided that the independent existence of the Euphrates and Tigris Company, with all its rights unimpaired, is preserved. I can quite appreciate the advantages of such an arrangement to Messrs. Lynch, whose real interest in the Euphrates and Tigris Steam Navigation Company, whose business they direct, is not so much in its success as a public carrier as in the facilities which their control over it furnishes to Messrs. Lynch Brothers, general merchants, and they therefore have no intention of consenting to any proposal involving the absorption of the Euphrates and Tigris Steam Navigation Company in any larger concern. But I fail entirely to see what serious attraction the co-operation of Messrs. Lynch without the Euphrates and Tigris Steam Navigation Company being brought into the scheme, can have either for the Turks or the Germans. Messrs. Lynch admit themselves that the Turks aim at the disappearance of the British flag from the river (to which I could add, what Messrs. Lynch appear to ignore, that the disappearance of Messrs. Lynch's name would be at least equally gratifying to them); but this is precisely what Messrs. Lynch decline to entertain; while the Germans would probably view the suggestion as a request for participation without any commensurate consideration being offered in exchange. It therefore seems to me probable that the chances of the formation of a tripartite company on the lines desired by Messrs. Lynch are small, while there is the possibility that Germans and Turks may come to an agreement from which Messrs. Lynch would be excluded and which would result in creating a very serious competition against the Euphrates and Tigris Steam Navigation Company.

Two statements in Mr. Parry's letter of the 11th April seem to call for note, viz., that Messrs. Lynch believe it to be possible to secure Anglo-German co-operation in the

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Bagdad–Khanikin branch; and that it would be good policy to give the Germans a share in the river navigation. As to the former, it would be of interest to know why the Bagdad Railway should be disposed to accept our co-operation on this section. The branch from Sadijeh is not long, not more than eighty miles, and does not run through difficult country, so that it is scarcely our financial assistance that is sought, while on the other hand it would seem probable that the Germans would be particularly anxious to retain control of the door into Persia in their own hands. The second passage I have quoted seems to reveal a strange misconception on the part of Messrs Lynch as to the actual position, when they talk of "giving a share" in the navigation to the Germans. The introduction of the German interests rests with the Turks, and if they should find it to their advantage to bring that about, we might find it not too easy a matter to prevent it. This advocacy of co-operation with Germany is, if I am not mistaken, a distinct change of attitude on the part of Mr. Lynch.

Mr. Parry in his letter of the 13th March challenges the statement made to me by Sir R. Crawford as to the inadequacy of the service effected by the Société de Transports fluviaux; I would recall that Sir R. Crawford's account was confirmed by a report from Mr. Consul Crow dated the 25th February, to the effect that the Bagdad Railway Company had been obliged to obtain the services of three steam tugs belonging to Messrs. Wönckhaus (see end of my despatch No. 234 of the 24th March).

I have, &c.
GERARD LOWTHER.

[20978] No. 141.

Sir G. Lowther to Sir Edward Grey.—(Received May 7.)

(No. 380.)
Constantinople, May 2, 1913.

Sir,

WITH reference to my despatch No. 334 of the 22nd ultimo, I have the honour to forward herewith a despatch from His Majesty's consul at Erzeroum on the subject of a bomb outrage at Erzinjan.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 141.

Consul Monahan to Sir G. Lowther.

(No. 28.)
Erzeroum, April 23, 1913.

Sir,

I HAVE the honour to report that on the 12th instant, in a house in the town of Erzinjan in this vilayet, about four days' journey from here, there was an explosion which wrecked the house and, to some extent at least, a neighbouring one, killed three townsmen of Erzinjan who were in the first-mentioned house, and wounded a woman in the same house. The three men killed were a tinsmith who lived in that house, a keeper of a drink-shop, and another tradesman. The Government have found sixty tins of local make, each with an iron bomb inside, each bomb filled with small pieces of iron, ten bronze hand-bombs, a tin of "dynamite powder," eight packets and a half Mannlicher cartridges, two revolvers and thirty-eight revolver cartridges, four old shells, about 5 feet of fuze, and some papers, all in the house of the tinsmith, and in the drink-shop and in the house of the publican's brother, a bronze bomb, an iron bomb, two empty shrapnel cases, miscellaneous cartridges, one Martini and one Berdan rifle, a dagger, two manuscript books, and many receipts. The Armenian Bishop of Erzinjan and some Armenian notables have expressed to the Government horror and detestation of bomb makers and bomb throwers, and thanks for measures taken to prevent disturbance which might have arisen from the discovery. The Armenian newspaper has stated, by the Government's order, that the bombs, &c., were apparently being kept for personal use and not for any general subversive purpose. The vali, however, tells me that papers found bear a heading in Armenian meaning "Bomb Throwing Society," though I understand that he may perhaps not have quite correctly rendered the Armenian words, and the device of an arrow and a dagger, and refer to the ordering of explosives from abroad. There is an impression here that many

Armenians from the Caucasus, where they were well used to handling bombs, have in their houses bombs for self-defence in case of need, and, in Erzeroum town there is now some uneasiness over the Erzinjan affair.

I have, &c.
J. H. MONAHAN.

[21191] No. 142.

Minute by Mr. Parker.

I CALLED at the German Embassy to-day and Herr von Kühlmann explained to me the views of the German Government in regard to certain matters touching the Bagdad Railway, Turkish finance, and river navigation in Mesopotamia.

I asked him to allow me to make notes, as the subjects are involved, and I pointed out that I had come to listen to his remarks and had of course no proposals to make. The substance of his remarks was as follows:—

1. The Bagdad Railway Company would prefer to build and manage the section from Bagdad to Basra themselves rather than abandon that section to another Company. The Company did not, under the arrangement of 1911, definitely abandon their rights to do this; they at that time merely made a declaration of their readiness to do so subject to two conditions, viz.: that the Bagdad Railway Company's interest in the new Company should be equal to that of any nation other than Turkey, and that the Bagdad Railway Company should receive compensation for the renunciation of rights secured to them under the original concession.

2. If His Majesty's Government agree to point (1), then the Société would be prepared to agree that:—

(*a.*) The sections from Basra to the Gulf should be indefinitely postponed.
(*b.*) If those sections ever should be built the Société would like to share in the building of them, but would not ask to share in the subsequent management of the sections, but there must be adequate guarantees as regards through traffic.
(*c.*) That Basra should be the terminus of the line.
(*d.*) That the construction and control of the port at Basra should be the subject of an agreement with his Majesty's Government.
(*e.*) That two British directors should be admitted to the Board of the Railway from Konia to Basra.

3. The German Government would confirm these proposals of the Société. They would also agree that German subjects should make no claim to participate in navigation on the Euphrates and Tigris. If a reasonable and fair arrangement can be made for the conveyance of materials for the railway while building, then the Germans would forthwith abandon any claim to navigation on those rivers. If, however, for some technical reason, such an arrangement cannot be made as regards building material, &c., then the German Government would undertake that German subjects shall not participate in any navigation company on the two rivers after, say, five years from 1913.

4. If the German Government and the Société agree that the terminus shall be Basra, they will expect an undertaking from His Majesty's Government and the Ottoman Government that the Shatt-el-Arab shall be kept in a satisfactory state of conservancy, so that sea-going vessels without discrimination of flag shall always be assured of easy access to Basra on equal conditions.

5. The German Government would appreciate a confidential intimation as to the attitude of His Majesty's Government towards the Bagdad Railway enterprise on the conclusion of such an arrangement as that in question.

6. The German Government wishes co-operation between the German and British delegates on the Financial Commission at Paris, so as to secure:—

(*a.*) That the Bagdad Railway Company shall receive fresh and equally good security for any revenues now pledged to the company and which Turkey may forfeit as the result of the war (*e.g.*, the Salonica customs duties surplus).
(*b.*) That, in the arrangements about to be made for Turkish financial

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reorganisation, adequate revenues shall now be earmarked for the securities of the Bagdad–Basra section.

I said I would submit these remarks to Sir E. Grey.

A. P.

May 7, 1913.

P.S.—I read over the above to Herr Kühlmann and he said it was an accurate account of our conversation.

A.P.

[21277] No. 143.

Sir Edward Grey to Viscount Kitchener.

(No. 53.)
(Telegraphic.) *Foreign Office, May 8, 1913.*

WE are making consent of Turkish Government to removal of restriction on borrowing powers of Egypt one of conditions of general settlement now being negotiated with Turkey.

What, in your view, would be most suitable form of declaration for Turkish Government to make to this effect? Would it suffice for them to state that powers enjoyed by Khedive before date of firman of 2nd August, 1879, are restored, or is something more explicit desirable, *e.g.*, formula similar to that proposed in 1909 (see correspondence ending with Sir E. Gorst's telegram No. 35 of 2nd November, 1909)? Please propose definite wording.

(Repeated to Constantinople, No. 210.)

[20662] No. 144.

Sir Edward Grey to Sir G. Louther.

(No. 139. Confidential.)
Sir, *Foreign Office, May 8, 1913.*

I TRANSMIT herewith, for your Excellency's confidential information, copies of draft conventions and declarations relating to certain of the negotiations recently carried on with Hakki Pasha.

These drafts have been initialled *ad referendum*.

Copies of the maps referred to will be sent to you in due course. Other drafts are still under discussion.

I am, &c.
E. GREY

Enclosure 1 in No. 144.

Draft Declaration.

LE Gouvernement Impérial ottoman, ayant examiné la question de la frontière qui sépare les territoires ottoman et persan depuis la région de Haouizé jusqu'à la mer, déclare que la ligne frontière doit être fixée comme suit :

La ligne frontière part de l'endroit nommé Oumm-Chir, où le Khor-el-Douvel se sépare du Khor-el-Azem. Oumm-Chir est situé à l'est de la jonction du Khor-el-Mahaisin avec le Khor-el-Azem à 9 milles au nord-ouest de Bisaitin, endroit qui se trouve à la latitude 31° 43′ 29″. A partir d'Oumm-Chir la ligne se dirige vers le sud-ouest et atteint la longitude 45° à l'extrémité méridionale d'un petit lac, connu aussi par le nom d'Azem et situé dans le Khor-el-Azem à quelque distance au nord-ouest de Chonaïli. De ce point la ligne continue vers le sud le long du marécage jusqu'à la latitude 31°, qu'elle suit directement vers l'est jusqu'à un point au nord-est de Kouchk-i-Basra, de façon à laisser cette localité en territoire ottoman. De ce point la ligne va au sud jusqu'au Chatt-el-Arab, qu'elle rejoint à son confluent avec le canal de Khaïyin à un point qui se trouve entre le Nahr-Daidji et le Nahr Abou-l-Arabid. De ce point la frontière suit le cours du Chatt-el-Arab jusqu'à la mer en laissant sous la souveraineté

ottomane le fleuve et toutes les îles qui s'y trouvent aux conditions et avec les exceptions suivantes :

(*a.*) Appartiennent à la Perse : (1) l'île de Mouhalla et les deux îles qui se trouvent entre celle-ci et la rive gauche du Chatt-el-Arab (rive persane d'Abadan) ; (2) les quatre îles entre Chetaït et Maouiyé et les deux îles devant Mankoubi qui sont toutes des dépendances de l'île d'Abadan ; (3) tout îlot actuellement existant ou inexistant qui pourrait se former et qui serait relié par les eaux basses à l'île d'Abadan ou à la terre ferme persane en aval du Nahr-Nazalé.

(*b.*) Le port moderne et l'ancrage de Mouhammera, en amont et en aval de la jonction du fleuve Karoun avec le Chatt-el-Arab, continueront à se trouver sous la juridiction persane en conformité du traité d'Erzeroum, sans que cela puisse infirmer le droit d'usage ottoman de cette partie du fleuve et sans que la juridiction persane puisse s'étendre aux parties du fleuve restant en dehors de l'ancrage.

(*c.*) Aucune atteinte ne sera portée aux droits, us et coutumes existants en ce qui concerne la pêche sur le rivage persan du Chatt-el-Arab, le mot "rivage" comprenant aussi les terres réunies à la côte par les eaux basses.

(*d.*) La juridiction ottomane ne pourra pas s'étendre sur les parties de la côte persane qui pourront être temporairement converties d'eau par la marée ou par d'autres causes accidentelles. La juridiction persane de son côté ne pourra pas s'exercer sur des terres qui seront temporairement et accidentellement découvertes en excédant le niveau normal des eaux basses.

(*e.*) Le cheikh de Mouhammera continuera à jouir en conformité des lois ottomanes de ses droits de propriété existant en territoire ottoman.

La ligne frontière établie dans cette déclaration est indiquée en rouge sur la carte ci-annexée.

Le Gouvernement de Sa Majesté britannique s'engage à inviter le Gouvernement Impérial persan à agréer, comme tracé définitif de ses frontières méridionales avec le Gouvernement Impérial ottoman la ligne indiquée ci-dessus et sur la carte annexée.

Le Gouvernement de Sa Majesté britannique se charge également d'inviter le Gouvernement Impérial persan à se mettre d'accord avec le Gouvernement Impérial ottoman pour nommer dans le plus bref délai des commissaires qui auront à appliquer sur le terrain les limites établies par cette déclaration. Si au cours de la délimitation il est constaté par le Gouvernement de Sa Majesté britannique et par le Gouvernement Impérial ottoman que les territoires sur le canal de Khaïyin ci-dessus indiqués étaient effectivement occupés et administrés par les autorités ottomanes à la date du 1er janvier écoulé (nouveau style), le tracé pourra être rectifié.

Fait à Londres, en double original, le , 1913.

Paraphé *ad referendum*
le 6 mai, 1913.
I. H.
A. H.

Enclosure 2 in No. 144.

Draft Convention respecting Railways in Asia Minor.

SA Majesté le Roi du Royaume-Uni de la Grande-Bretagne et d'Irlande et des territoires britanniques au delà des Mers, Empereur des Indes, d'une part ; et

Sa Majesté l'Empereur des Ottomans, d'autre part ;

Désireux tous deux d'écarter toute condition pouvant donner lieu à l'avenir à des différends entre eux en ce qui concerne le transport des marchandises par les chemins de fer de l'Asie Mineure ;

Ont nommé pour leurs Plénipotentiaires savoir :

Sa Majesté le Roi de la Grande-Bretagne, Empereur des Indes :

Sa Majesté l'Empereur de Turquie :

Lesquels, s'étant communiqué leurs pleins pouvoirs, trouvés en bonne et due forme, sont convenus de ce qui suit :

PUBLIC RECORD OFFICE, LONDON

ARTICLE 1.

Le Gouvernement Impérial ottoman s'engage à veiller à ce que la société du chemin de fer de Bagdad applique à toutes les marchandises d'une catégorie identique qui pourront lui être présentées en vue d'être transportées par chemin de fer, entre les mêmes stations et dans les mêmes conditions, précisément le même régime, tant pour le tarif qui leur sera imposé que pour les facilités dont elles jouiront, quels que soient :

(*a.*) Le pays d'origine des marchandises importées dans l'Empire ottoman ;
(*b.*) Le pays de destination des marchandises exportées de l'Empire ottoman ;
(*c.*) Les pays d'origine et de destination des marchandises en transit par l'Empire ottoman ; et
(*d.*) Le pavillon et l'armateur des bâtiments sur lesquels les marchandises seront importées ou exportées par les ports ottomans.

ARTICLE 2.

Le Gouvernement Impérial ottoman s'engage à veiller à ce que la société du chemin de fer de Bagdad ne conclue avec une société de navigation ou avec un armateur dont les bâtiments desservent un ou plusieurs ports, soit maritimes, soit fluviaux, de son réseau, d'arrangement particulier relatif à certaines catégories de marchandises importées ou exportées par ces ports sans que cet arrangement soit de plein droit applicable, dans les mêmes conditions, à toute autre société de navigation ou à tout autre armateur dont les bâtiments importent ou exportent des marchandises de la même catégorie par les mêmes ports. Il est toutefois entendu que cet article ne porte nullement atteinte aux droits concédés par l'article 9 de la convention du 5 mars, 1903, relative à l'importation de matériaux destinés à la construction du chemin de fer de Bagdad.

ARTICLE 3.

Aux fins de la présente convention la phrase "les mêmes conditions" signifie les mêmes conditions de poids, d'emballage et de vitesse (grande, petite ou autre).

ARTICLE 4.

Dans le cas où le commerce britannique serait soumis, sur quelqu'un des chemins de fer auxquels s'applique la présente convention, à un régime d'exception en quelque relation non spécifiée par les articles précédents, telle, par exemple, que l'insuffisance des facilités accordées en matière de transport commun ou la pose de conditions spéciales au transport effectué par une voie déterminée, le Gouvernement de Sa Majesté britannique se réserve le droit de faire à ce sujet des représentations auprès du Gouvernement Impérial ottoman, qui prendra les dispositions nécessaires pour remédier au grief.

ARTICLE 5.

Les provisions de la présente convention ne s'appliquent ni au transport des militaires, des marins ou des civils, ni à celui des munitions militaires, navales ou civiles pour le compte du Gouvernement Impérial ottoman, ni à celui des matériaux destinés aux services publics de l'État ottoman.

ARTICLE 6.

Aucune provision de la présente convention ne sera interprétée comme une défense de l'établissement d'une distinction entre les tarifs à appliquer :

(*a.*) Au transport intérieur, d'une part ; et
(*b.*) Au commerce d'importation, d'exportation et de transit, d'autre part.

ARTICLE 7.

Les provisions de la présente convention s'éteindront, dans la mesure où elles y sont applicables, au régime appliqué par la société du chemin de fer au transport des voyageurs entrant dans l'Empire ottoman, le quittant ou traversant son territoire, et de leur bagage. Toutefois, elles ne s'appliqueront pas au transport des émigrés et des indigents et de leur bagage.

Aux fins du présent article, le terme "émigrés" se rapporte aux personnes venues s'établir dans les limites de l'Empire ottoman qui sont transportées par les soins de la commission des émigrés.

ARTICLE 8.

Le Gouvernement Impérial ottoman s'engage à veiller à ce que les provisions des articles précédents soient appliquées à tout chemin de fer (soit actuellement existant, soit à construire à l'avenir) en Asie Mineure qui se raccorderait avec le chemin de fer de Bagdad, comme s'il faisait partie intégrante de celui-ci.

ARTICLE 9.

Le Gouvernement Impérial ottoman s'engage à veiller à ce que la société du chemin de fer de Bagdad admette à son conseil d'administration deux membres de nationalité britannique. Avant la nomination de ces membres, le Gouvernement Impérial ottoman prendra les dispositions nécessaires pour s'assurer qu'elle a l'agrément du Gouvernement de Sa Majesté britannique. Dans le cas où, en vertu d'un arrangement quelconque, le tronçon Bagdad–Basra serait construit par une autre société, les provisions du présent article s'appliqueront également à celle-ci.

ARTICLE 10.

Aucun prolongement de voie ferrée au delà de Basra vers la mer ne pourra avoir lieu qu'après accord préalable entre le Gouvernement de Sa Majesté britannique et le Gouvernement Impérial ottoman et dans les conditions agréées par eux.

ARTICLE 11.

En cas de contestation au sujet de l'interprétation ou de la mise à exécution de la présente convention, la question en litige, à moins d'être réglée dans un délai de trois mois à la satisfaction des deux Gouvernements, sera déférée, sur la demande de l'un ou de l'autre Gouvernement, au jugement du tribunal international d'arbitrage de La Haye.

ARTICLE 12.

La présente convention sera ratifiée et les ratifications seront échangées aussitôt que faire se pourra, et au plus tard dans un délai de trois mois.

En foi de quoi, les Plénipotentiaires respectifs ont signé la présente convention et y ont apposé leurs cachets.

Paraphé *ad referendum*
le 6 mai, 1913.

I. H.
H. Ll. S.
A. H.

Déclaration.

Le Gouvernement Impérial ottoman déclare que la Société du Chemin de fer de Bagdad a renoncé à tous les droits qui découlent pour elle des conventions existantes en ce qui concerne le prolongement de la ligne de Bagdad au delà de Basra, ainsi qu'au droit d'établir un terminus maritime.

Fait à Londres, le ., 1913.

Paraphé *ad referendum*
le 6 mai 1913.

I. H.
H. Ll. S.
A. H.

PUBLIC RECORD OFFICE, LONDON

Enclosure 3 in No. 141.

Draft Convention respecting the Persian Gulf, &c.

SA Majesté le Roi du Royaume-Uni de la Grande-Bretagne et d'Irlande et des territoires britanniques au delà des Mers, Empereur des Indes, et Sa Majesté l'Empereur des Ottomans, animés par le sincère désir de régler, par un accord complet, certaines questions touchant leurs intérêts respectifs dans le Golfe Persique et dans les territoires environnants, ont résolu de conclure une convention spéciale en vue de prévenir toute cause éventuelle de malentendu entre leurs Gouvernements en ce qui concerne ces questions.

En conséquence, ils ont nommé pour leurs Plénipotentiaires, savoir :

Sa Majesté le Roi de la Grande-Bretagne, Empereur des Indes :

Sa Majesté l'Empereur des Ottomans :

Lesquels, s'étant communiqué leurs pleins pouvoirs, trouvés en bonne et due forme, sont convenus de ce qui suit :

I.—*Koweit.*

ARTICLE 1er.

Le territoire de Koweit, tel qu'il est délimité par les articles 5 et 7 de cette convention, forme un kaza autonome de l'Empire ottoman.

ARTICLE 2.

Le cheikh de Koweit arborera comme par le passé le drapeau ottoman, avec, s'il le désire, le mot "Koweit" inscrit au coin, et il jouira d'une autonomie administrative complète dans la zone territoriale définie à l'article 5 de cette convention. Le Gouvernement Impérial ottoman s'abstiendra de toute immixtion dans les affaires de Koweit, y compris la question de la succession, et de tout acte d'administration ainsi que de toute occupation et tout acte militaire, dans les territoires qui en font partie. En cas de vacance, le Gouvernement Impérial ottoman nommera kaimakam, par firman Impérial, le successeur du cheikh défunt. Il aura aussi la faculté de nommer auprès du cheikh un commissaire pour protéger les intérêts et les indigènes des autres parties de l'Empire.

ARTICLE 3.

Le Gouvernement Impérial ottoman reconnaît la validité des conventions que le cheikh de Koweit a conclues précédemment avec le Gouvernement de Sa Majesté britannique en date des 23 janvier 1899, 24 mai 1900 et 28 février 1904, et dont les textes sont annexés (annexes I, II, III) à la présente convention. Il reconnaît aussi la validité des concessions de terrains faites par ledit cheikh au Gouvernement de Sa Majesté britannique et aux sujets britanniques, ainsi que celle des engagements consignés dans la note adressée à la date du 24 octobre 1911 par le principal secrétaire d'État de Sa Majesté britannique pour les affaires étrangères à l'ambassadeur de Sa Majesté Impériale le Sultan à Londres, dont le texte est annexé (annexe IV).

ARTICLE 4.

En vue de confirmer l'entente déjà établie entre les deux Gouvernements par les assurances échangées le 6 septembre 1901, entre l'ambassade de Sa Majesté britannique à Constantinople et le Ministère Impérial des affaires étrangères, le Gouvernement de Sa Majesté britannique déclare qu'en tant qu'aucun changement ne sera apporté par le Gouvernement Impérial ottoman au *statu quo* de Koweit, tel qu'il se trouve défini par la présente convention, il ne changera en rien la nature de ses relations avec le Gouvernement de Koweit et n'établira pas de protectorat sur le territoire qui lui est attribué. Le Gouvernement Impérial ottoman prend acte de cette déclaration.

ARTICLE 5.

L'autonomie du cheikh de Koweit est exercée par lui dans les territoires dont la limite forme un demi-cercle avec la ville de Koweit au centre, le Khor-Zoubair à

l'extrémité septentrionale et Kraïné à l'extrémité méridionale. Cette ligne est indiquée en rouge sur la carte annexée à la présente convention (annexe V). Les îles de Ouarba, Boubiane, Machiane, Failaka, Anba, Koubbar, Karou, Maktu et Oumm-el-Maradime, avec les îlots et les eaux adjacents, sont compris dans cette zone.

ARTICLE 6.

Les tribus qui se trouvent dans les limites indiquées à l'article suivant sont reconnues comme dépendant du cheikh de Koweit, qui percevra leurs dîmes comme par le passé et exercera à leur égard les attributions administratives qui lui reviennent en sa qualité de kaïmakam ottoman. Le Gouvernement Impérial ottoman n'exercera dans cette zone aucun acte d'administration indépendamment du cheikh de Koweit et s'abstiendra d'y établir des garnisons ou d'y exercer une action militaire quelconque sans s'être préalablement entendu avec le Gouvernement de Sa Majesté britannique.

ARTICLE 7.

Les limites du territoire dont il est parlé à l'article précédent sont fixées comme suit :

La ligne de démarcation part de la côte à l'embouchure du Khor-Zoubair vers le nord-ouest et passe immédiatement au sud d'Oumm-Kasr, de Safouan et de Djebel-Sanam, de façon à laisser ces endroits et leurs puits au vilayet de Basra ; arrivée au Batine, elle le suit vers le sud-ouest jusqu'à Hafr-el-Batine qu'elle laisse du côté de Koweit ; de ce point ladite ligne va au sud-est en laissant à Koweit les puits d'Es-Safi et d'El-Garaa, Ouabra et Antaa pour aboutir à la mer près de Djebel-Mounifa. Cette ligne est marquée en vert sur la carte annexée à la présente convention (annexe V).

ARTICLE 8.

Dans le cas où le Gouvernement Impérial ottoman s'entendrait avec le Gouvernement de Sa Majesté britannique pour faire aboutir la ligne ferrée de Bagdad–Basra à la mer au terminus de Koweit ou à tout autre terminus dans le territoire autonome, les deux Gouvernements s'entendront sur les dispositions à prendre touchant la garde de la ligne et des stations ainsi que l'établissement de bureaux douaniers, dépôts de marchandises et toute autre installation accessoire au service de la voie ferrée.

ARTICLE 9.

Le cheikh de Koweit jouira en pleine sécurité des droits de propriété privée qu'il possède dans le territoire du vilayet de Basra. Ces droits de propriété privée devront s'exercer en conformité de la loi ottomane et les biens immobiliers qu'ils concernent seront soumis aux impôts et charges, au mode de conservation et de transmission et à la juridiction établis par les lois ottomanes.

II.—*El-Katr.*

ARTICLE 10.

Le sandjak ottoman de Nedjd, dont la limite septentrionale est indiquée par la ligne de démarcation définie à l'article 7 de cette convention, se termine vers le sud au golfe faisant face à l'île de Zahnounié, qui appartient audit sandjak. Une ligne partant du fond extrême dudit golfe ira directement au sud jusqu'au Ruba'-al-Khali et séparera le Nedjd de la presqu'île d'El-Katr. Les limites du Nedjd sont indiquées par une ligne bleue sur la carte annexée à la présente convention (annexe V). Le Gouvernement Impérial ottoman ayant renoncé à toutes ses réclamations concernant la presqu'île d'El-Katr, il est entendu entre les deux Gouvernements que ladite presqu'île sera, comme par le passé, gouvernée par le cheikh Djassim-bin-Sani et par ses successeurs. Le Gouvernement de Sa Majesté britannique déclare qu'il ne permettra pas au cheikh de Bahreine de s'immiscer dans les affaires intérieures d'El-Katr, de porter atteinte à l'autonomie de ce pays ou de l'annexer.

ARTICLE 11.

Il sera permis aux habitants de Bahreine de visiter l'île de Zahnounié pour la pêche et d'y demeurer en pleine liberté pendant l'hiver comme par le passé, sans qu'aucun nouvel impôt leur soit imposé.

PUBLIC RECORD OFFICE, LONDON

III.—*Bahreine.*

ARTICLE 12.

Le Gouvernement Impérial ottoman renonce à toutes ses réclamations concernant les îles Bahreine, y compris les deux îlots Lubainat-el-Aliya et Lubainat-es-Sadiya, et reconnaît l'indépendance de ce pays. De son côté, le Gouvernement de Sa Majesté britannique déclare qu'il n'a aucune intention d'annexer à ses territoires les îles Bahreine.

ARTICLE 13.

Le Gouvernement de Sa Majesté britannique s'engage vis-à-vis du Gouvernement Impérial ottoman à veiller à ce que le cheikh de Bahreine ne perçoive pas des sujets ottomans de droits sur la pêche des huîtres perlières d'un taux plus élevé que celui qui sera imposé aux autres intéressés les plus favorisés.

ARTICLE 14.

Les sujets du cheikh de Bahreine seront considérés comme étrangers dans les territoires ottomans et pourront être protégés par les consuls de Sa Majesté britannique. Toutefois, cette protection devra s'exercer en conformité des règles générales du droit international européen, les sujets de Bahreine n'ayant pas le droit de jouir des privilèges accordés par les capitulations aux sujets de certaines Puissances.

IV.—*Golfe Persique.*

ARTICLE 15.

Le Gouvernement de Sa Majesté britannique ayant, aussi bien pour la sauvegarde de ses intérêts spéciaux que dans un but élevé d'humanité, entrepris de tout temps des mesures de police maritime dans les eaux libres du Golfe Persique aussi bien que sur le littoral appartenant aux cheikhs indépendants de la côte au sud d'El-Katr jusqu'à l'Océan Indien, le Gouvernement Impérial ottoman apprécie l'importance de ces efforts déjà séculaires et déclare ne pas s'opposer à ce que le Gouvernement de Sa Majesté britannique exerce comme par le passé dans le Golfe Persique les mesures suivantes :

(*a.*) Sondages, allumage des phares, mise des bouées, pilotage.
(*b.*) Police maritime.
(*c.*) Mesures quarantenaires.

Le Gouvernement Impérial ottoman réserve à cette occasion tous les droits qui lui reviennent comme Puissance territoriale sur les côtes ainsi que sur les eaux territoriales ottomanes.

V.—*Commission de Délimitation.*

ARTICLE 16.

Les deux Gouvernements sont d'accord pour nommer, dans le plus bref délai, des commissaires qui auront à appliquer sur le terrain les limites établies par les articles 5, 7 et 10 de cette convention en en dressant un plan détaillé et un procès-verbal explicatif. Le plan et le procès-verbal susénoncés, une fois dûment dressés et signés par les commissaires respectifs, seront considérés comme partie intégrante de la présente convention.

ARTICLE 17.

La présente convention sera ratifiée et les instruments de ratification en seront échangés à Londres aussitôt que faire se pourra, et au plus tard dans un délai de trois mois.

En foi de quoi, les Plénipotentiaires respectifs ont signé la présente convention et y ont apposé leurs cachets.

Fait à Londres, en double original, le , 1913.

Paraphée *ad referendum*
le 6 mai, 1913.

I. H.

A. H.

ANNEXE I.

Agreement of January 23, 1899, with Sheikh of Koweit.

(Translation.)

Praise be to God alone (*lit.* in the name of God Almighty) (" Biasim-Illah Ta'alah Shanuho ").

THE object of writing this lawful and honourable bond is, that it is hereby covenanted and agreed between Lieutenant-Colonel Malcolm John Meade, I.S.C., Her Britannic Majesty's Political Resident, on behalf of the British Government, on the one part, and Sheikh Mubarak-bin-Sheikh Subah, Sheikh of Koweit, on the other part; that the said Sheikh Mubarak-bin-Sheikh Subah, of his own free will and desire, does hereby pledge and bind himself, his heirs and successors, not to receive the agent or representative of any Power or Government at Koweit, or at any other place within the limits of his territory, without the previous sanction of the British Government; and he further binds himself, his heirs and successors, not to cede, sell, lease, mortgage, or give for occupation or for any other purpose, any portion of his territory to the Government or subjects of any other Power without the previous consent of Her Majesty's Government for these purposes. This engagement also to extend to any portion of the territory of the said Sheikh Mubarak which may now be in possession of the subjects of any other Government.

In token of the conclusion of this lawful and honourable bond, Lieutenant-Colonel Malcolm John Meade, I.S.C., Her Britannic Majesty's Political Resident in the Persian Gulf, and Sheikh Mubarak-bin-Sheikh Subah, the former on behalf of the British Government, and the latter on behalf of himself, his heirs and successors, do each, in the presence of witnesses, affix their signatures, on this the 10th day of Ramazan, 1316, corresponding with the 23rd day of January, 1899.

(L.S.) M. J. MEADE,
Political Resident in the Persian Gulf.
(L.S.) MUBARAK-EL-SUBAH.

Witnesses :
(L.S.) E. WICKHAM HOBE, *Captain, I.M.S.*
(L.S.) J. CALCOTT GASKIN.
(L.S.) MUHAMMAD RAHIM-BIN-ABDUL NEBI SAFFER.

ANNEXE II.

Agreement by Sheikh Mubarek-bin-Subah, Chief of Koweit.

(Translation.)

I AGREE to absolutely prohibit the importation of arms into Koweit or exportation therefrom, and to enforce this I have issued a notification and proclamation to all concerned.

Dated this 24th day of Moharrum, 1318 (24th day of May, 1900).

(Seal of Sheikh Mubarek-el-Subah.)

ALLY WITHOUT PERMISSION OF THE

ANNEXE III.

Postal Agreement of February 28, 1904, with the Sheikh of Koweit.

(Translation.)

AS the British Government has agreed, in accordance with my desire and for the benefit of traders, to establish a post-office at Koweit, I, on my part, agree not to allow the establishment here of a post-office by any other Government. I accordingly write this undertaking on behalf of myself and my successors.

(Seal of Sheikh Mubarek-el-Subah.)

Koweit, the 11th Zil Haj, 1321
(*February* 28, 1904).

ANNEX IV.

Sir Edward Grey to Tewfik Pasha.

Your Highness; *Foreign Office, October* 24, 1911.

IN compliance with the request which, under instructions from your Government, you were good enough to make to me on the 16th ultimo, I have the honour to transmit to you herewith copies of the agreements concluded by His Majesty's Government with the Trucial chiefs of Oman and the Sheikhs of Bahrein and Koweit, to which reference is made in the memorandum communicated to your Highness on the 29th July last.

With respect to these agreements His Majesty's Government have the following observations to make :—

As regards No. 1, His Majesty's Government have informed the Sheikh of Koweit that so long as he and his heirs and successors act up to their obligations under the agreement, His Majesty's Government undertake to support them and accord them their good offices. His Majesty's Government reserve to themselves the right to interpret that term at their discretion.

His Majesty's Government hold, moreover, a lease of land from the Sheikh of Koweit.

As regards No. 4, His Majesty's Government take occasion to remind the Sublime Porte that British rights in the Persian Gulf and on the coast rest not merely on the agreements concluded, and transmitted herewith to the Ottoman Government, but on the custom, consent, and long-established relations between the local chiefs and the Government of India.

His Majesty's Government hope that in the communication of these agreements, together with the supplementary declarations which are hereby brought to the notice of the Ottoman Government, the Sublime Porte will see proof of His Majesty's Government's goodwill and desire to facilitate the conclusion of the negotiations set forth in their above-mentioned memorandum.

I have, &c.
E. GREY.

Déclaration secrète.

Le Gouvernement Impérial ottoman déclare reconnaître que la phrase "affaires de Koweit" comprend aussi bien les questions intérieures qu'extérieures, mais qu'en aucun cas le cheikh ne pourra conclure de traité contraire à la présente convention.

I. H.
A. H.

Le Gouvernement Impérial ottoman déclare qu'à l'occasion de la signature d'une convention turco-britannique sur le Golfe Persique et les territoires environnants, fixant les limites du kaza autonome de Koweit et du territoire indépendant d'El-Katr, il a donné à qui de droit les ordres nécessaires pour que les fonctionnaires civils et militaires ainsi que les troupes d'armée régulière ou de gendarmerie se trouvant dans les limites assignées à ces deux territoires aient à les quitter dans le plus bref délai.

Le Gouvernement de Sa Majesté britannique prend acte de la décision du Gouvernement Impérial ottoman de donner une somme de £ st. 1,000 au cheikh de Bahreine en compensation de sa renonciation à toute réclamation sur l'île de Zahnounié, située à

proximité du littoral ottoman du Nedjd et appartenant audit sandjak, et offre ses bons offices pour remettre cette somme au cheikh contre une renonciation écrite qu'il fera parvenir au Gouvernement Impérial ottoman.

Fait en double exemplaire à Londres, le , 1913.

Paraféé *ad referendum*
le 6 mai, 1913.

I. H.

A. H.

Enclosure 4 in No. 144.

Draft Convention respecting the Creation of a Commission for improving Navigation in the Chatt-el-Arab.

SA Majesté le Roi du Royaume-Uni de la Grande-Bretagne et d'Irlande et des territoires britanniques au delà des Mers, Empereur des Indes, d'une part ; et

Sa Majesté l'Empereur des Ottomans, d'autre part ;

Désireux tous deux d'améliorer les conditions de la navigation du Chatt-el-Arab et de diminuer les risques auxquels le commerce de leurs sujets pourrait y être exposé, par suite de l'importance de leurs intérêts dans le commerce sur le fleuve ;

Ont nommé pour leurs Plénipotentiaires, savoir :

Sa Majesté le Roi de la Grande-Bretagne, Empereur des Indes :

Sa Majesté l'Empereur de Turquie :

Lesquels, s'étant communiqué leurs pleins pouvoirs, trouvés en bonne et due forme, sont convenus de ce qui suit :

ARTICLE 1er.

La navigation du Chatt-el-Arab demeurera ouverte aux navires de toutes les nationalités.

ARTICLE 2.

Le Gouvernement Impérial ottoman établira une commission chargée de remplir les fonctions relatives à la navigation du Chatt-el-Arab depuis Kourna jusqu'à la mer, telles qu'elles sont définies à l'article 6.

ARTICLE 3.

Cette commission sera composée de deux membres seulement, à être désignés par le Gouvernement Impérial ottoman. Le Gouvernement Impérial, désirant que l'un des membres soit de nationalité britannique, invitera le Gouvernement de Sa Majesté britannique à lui proposer des candidats parmi lesquels il choisira l'un des commissaires.

ARTICLE 4.

Chacun de ces commissaires recevra un traitement annuel de £ T. 2,000, net de toute réduction. Les traitements seront versés par la commission.

ARTICLE 5.

La commission aura qualité pour nommer tels agents et employés qu'elle jugera nécessaires, mais le Gouvernement Impérial, désirant que l'ingénieur en chef et l'inspecteur des services fluviaux soient de nationalité britannique, invitera le Gouvernement de Sa Majesté britannique à lui proposer des candidats parmi lesquels il choisira ces fonctionnaires. La commission nommera un ingénieur-adjoint et un inspecteur-adjoint de nationalité ottomane. Le traitement de ces agents et employés sera fixé et versé par la commission.

ARTICLE 6.

La commission sera chargée des fonctions suivantes :—

(*a.*) L'exécution de tous les travaux qui seront jugés nécessaires à l'amélioration du chenal du fleuve et de ceux qui y donnent accès du côté de la mer.

(*b.*) Le maintien du chenal du fleuve libre de toute espèce d'obstruction de façon à assurer à la navigation les conditions les plus propices en tout temps.

(*c.*) La préparation, promulgation et mise à exécution de règlements touchant la navigation et la police du fleuve ainsi que les terrains et constructions détenus par la commission.

(*d.*) Le contrôle du pilotage.

(*e.*) La mise de bouées et l'éclairage du chenal, ainsi que le maintien et la surveillance des phares et des bouées placés dans les chenaux donnant accès au fleuve, tels qu'ils sont spécifiés dans l'annexe à cette convention.

(*f.*) La surveillance, dans la mesure où cela est nécessaire pour assurer l'application des dispositions contenues dans la présente convention et sous réserve des droits contractuels des Puissances étrangères, des débarcadères, quais, docks et jetées appartenant à des particuliers et sis dans ou sur les bords du fleuve, ainsi que la faculté de pourvoir à toutes accommodations et facilités que la commission pourra juger nécessaires.

(*g.*) Dans le cas où un port serait établi à Basra en conformité de quelque convention que ce soit liant la Turquie à la date présente, les droits qui seront assurés dans ce port au Gouvernement Impérial ottoman par cette convention et par le cahier des charges seront, en tant que ces droits concernent les matières traitées dans les paragraphes précédents, exclusivement exercés par la commission.

ARTICLE 7.

La commission aura qualité pour fixer, par les règlements édictés par elle en vertu de l'article 6 (*e*) de cette convention, les amendes qui seront imposées en cas de leur contravention. Telles contraventions seront justiciables exclusivement par la commission qui sera revêtue pour des cas semblables de l'autorité, analogue à celle dont jouissent les municipalités, d'infliger aux délinquants des amendes et, à défaut de payement de telles amendes, le terme de réclusion équivalent prescrit par la loi ottomane.

ARTICLE 8.

Pour toute autre affaire pénale du ressort de la commission, la police de celle-ci aura seule le droit d'opérer des arrestations. Les prévenus seront ensuite remis aux autorités compétentes ; la commission aura le droit de se faire représenter au procès en qualité de plaignant.

I. H.
A. H.

ARTICLE 9.

Le Gouvernement Impérial ottoman s'engage à faciliter l'acquisition par la commission de tout terrain que celle-ci jugera nécessaire en vue d'accomplir d'une manière efficace les fonctions qui lui seront dévolues. Ces acquisitions se feront en conformité de la loi ottomane d'expropriation pour cause d'utilité publique et le prix en sera acquitté par la commission.

Dans le cas où la commission jugerait nécessaire l'acquisition de terrains auxquels des servitudes de pêche sont attachées, il ne sera imposé à ces droits de servitude de pêche aucune restriction vexatoire.

ARTICLE 10.

Aucun droit, taxe ou charge basé sur le fait seul de la navigation ne sera prélevé, soit par la Sublime Porte, soit par la commission, sur les bâtiments ou marchandises dans le Chatt-el-Arab à moins d'être perçu en rémunération de services rendus.

ARTICLE 11.

La commission aura seule le droit de prélever les droits ou charges qui seront jugés nécessaires pour couvrir les dépenses des travaux et services administrés par elle. Le produit de tels droits ne dépassera pas la somme nécessaire pour

atteindre le but ci-haut mentionné, y compris les frais généraux d'administration de la commission, et le produit y sera exclusivement affecté. Tout excédent devra être utilisé à la réduction des droits. Le taux de ces droits ne dépassera dans aucun cas 1 fr. par tonne nette de navigation.

ARTICLE 12.

Tout droit ou charge imposé par la commission sera prélevé impartialement et équitablement de tout bâtiment, quels que soient le port d'origine, de destination et de départ, le pavillon et l'armateur, et la nationalité et le propriétaire du chargement. De même, il ne sera fait aucune distinction, en matière des facilités à accorder, ni entre les bâtiments par rapport à leur pavillon, à leur armateur ou à leur port de départ ou de destination, ni entre les marchandises par rapport à leur nationalité ou à leur propriétaire.

ARTICLE 13.

Toute somme que la commission jugera nécessaire d'emprunter pour le compte-capital en vue d'accomplir les fonctions qui lui seront dévolues sera avancée par le Gouvernement Impérial ottoman, après entente avec le Gouvernement de Sa Majesté britannique, à un taux d'intérêt qui ne dépassera pas 5 pour cent.

ARTICLE 14.

Le contrôle de tous les fonds perçus et déboursés par la commission relèvera exclusivement de celle-ci.

ARTICLE 15.

La commission publiera tous les ans un relevé complet et exact de ses comptes, qui montrera les sommes perçues et déboursées par elle. Ce relevé sera soumis à l'examen de la cour des comptes.

ARTICLE 16.

Si, la limite mentionnée à l'article 11 étant atteinte, les recettes de la commission ne suffisent pas à ses dépenses ordinaires, le déficit sera comblé par le Gouvernement Impérial ottoman en attendant qu'une entente intervienne entre les deux Gouvernements sur les moyens de rétablir l'équilibre financier.

ARTICLE 17.

Dans le cas où un désaccord s'élèverait entre les membres de la commission sur la question de savoir si tels ou tels travaux particuliers sont ou ne sont pas nécessaires à l'amélioration du Chatt-el-Arab, ou bien sur la façon dont ces travaux devront être exécutés, la question en litige sera déférée par elle à un ingénieur de compétence reconnue, désigné d'un commun accord par les commissaires ou, faute d'un tel accord, par les deux Gouvernements. La décision rendue par cet ingénieur sera adoptée par la commission.

ARTICLE 18.

La commission s'adressera, pour toutes les questions se rapportant aux fonctions qui lui seront confiées, à la Sublime Porte directement, et non pas par le canal des autorités locales.

ARTICLE 19.

Les autorités locales ne s'immisceront en aucune façon dans des questions ayant trait ni aux immeubles, constructions, terrains ou autre propriété de la commission, ni à ses fonds, ni à l'exercice de leurs fonctions par les agents chargés de la police, du pilotage ou des autres services établis par elle, ni aux débarcadères, jetées, docks ou quais situés dans ou sur les bords du fleuve et appartenant à des particuliers.

Le personnel de la police qui sera employée par la commission sera choisi parmi les sujets ottomans et de préférence parmi ceux qui ont déjà été au service du Gouvernement Impérial. La commission aura qualité pour engager des officiers supérieurs de nationalité étrangère pour exercer des fonctions d'organisation et de commandement.

ARTICLE 20.

La remise à la commission de bouées ou de phares placés dans les chenaux donnant accès au Chatt-el-Arab ne sera pas considérée comme portant atteinte à la juridiction territoriale exercée dans les eaux où ces bouées ou phares sont situés. Aucune provision non plus de cette convention ne sera interprétée comme revêtant la commission de l'autorité d'exercer une juridiction ou des fonctions ou de prélever des droits ou d'acquérir des terres en dehors des limites de l'Empire ottoman sans le consentement de la Puissance territoriale, ni comme modifiant l'application ou l'interprétation des dispositions d'aucun traité ou arrangement définissant les frontières de l'Empire.

ARTICLE 21.

Cet arrangement restera en vigueur pour une période de vingt et un ans à partir du jour de sa signature. Dans le cas où aucune des deux Hautes Parties Contractantes n'aurait fait connaître à l'autre douze mois avant l'expiration de ladite période de vingt et un ans son intention de mettre fin à l'arrangement, il restera en vigueur jusqu'à l'expiration d'un an à partir du jour où l'une des deux Hautes Parties Contractantes l'aura dénoncé.

En foi de quoi, les Plénipotentiaires respectifs ont signé la présente convention et y ont apposé leurs cachets.

Fait à Londres, en double original, le , 1913.

Paraphé *ad referendum*
le 11 juin, 1913.

I. H.

A. P.

ANNEXE.

Liste des Bouées et Phares du Chatt-el-Arab.

No.	Nature des Phares, &c.	Propriétaire actuel.	Position.	Description sur Carte.*
1	Vaisseau-phare ..	Gouvernement ottoman ..	Barre extérieure ..	*Lt. Fl. ev. 5 sec. 66 feet, vis. 10 m.*
2	Bouée à gaz acétylène ..	" britannique ..	" " ..	*Lt. F. Old bar buoy.*
3	Bouée non éclairée ..	" ottoman ..	" " ..	*No. 1.*
4	" " ..	" britannique ..	" " ..	" *2.*
5	" " ..	" " ..	" " ..	" *3.*
6	" " ..	" " ..	Chenal	" *4.*
7	" " ..	" ottoman ..	"	" *5.*
8	" " ..	" " ..	" " ..	" *6.*
9	" " ..	" britannique ..	" " ..	" *7.*
10	" " ..	" ottoman ..	" " ..	" *8.*
11	" " ..	" " ..	Barre intérieure ..	" *9.*
12	" " ..	" britannique ..	" " ..	*Inner bar buoy.*
13	" " ..	" ottoman ..	Feu	*Lt. F. ecl 25 feet, vis 6 m.*
14	Phare	"		

* Admiralty Chart No. 1235 "Mouth of the Euphrates, Shatt-el-Arab, and Karmishir River (corrected to February 1913).

Déclaration.

Le Gouvernement Impérial ottoman déclare que, dans le cas où le cheikh de Mohammera voudrait prier un des commissaires de s'occuper des intérêts du commerce et de la navigation persans, la Sublime Porte autorisera ledit commissaire à s'occuper de

ces intérêts sans que cela puisse préjudicier en quoi que ce soit à sa qualité de commissaire ottoman et à ses attributions telles qu'elles sont définies par cette convention.

Fait à Londres, en double original, le , 1913.

Paraphé *ad referendum*
le 11 juin, 1913.

I. H.

A. P.

[21347] No. 145.

Memorandum communicated unofficially by Herr von Kuehlmann, May 9, 1913.

(Confidentiel.)

LE groupe allemand qui a le contrôle financier de la Société du Chemin de Fer de Bagdad est prêt à céder à une société anonyme ottomane à former la concession conférée à la Société du Chemin de Fer de Bagdad par la convention du 20 février (2 mars), 1903, pour une section de 400 à 500 kilom. calculés à partir du Golfe Persique, ainsi que pour les ports à établir à Bassora et au Golfe, et ce à des conditions dont les détails seront fixés d'un commun accord entre le Gouvernement Impérial ottoman et la Société du Chemin de Fer de Bagdad. Le susdit groupe allemand déclare d'ores et déjà qu'il est d'accord à ce qu'une large part dans la nouvelle société anonyme ottomane soit réservée à la Turquie et qu'il ne réclamera pour l'ancienne Société du Chemin de Fer de Bagdad qu'un intérêt de minorité qui, pourtant, ne serait pas inférieur à la part de n'importe quelle nationalité non ottomane. D'autre part, il serait réservé à la nouvelle convention de fixer les compensation qui reviendraient à la Société du Chemin de Fer de Bagdad pour l'abandon des avantages pécuniaires et autres qui lui assurait la convention actuellement en vigueur.

A. VON GWINNER.
HELFFERICH.

Berlin, le 7 mars, 1911.

MM. A. von Gwinner et Helfferich, signataires, au nom du groupe allemand qui a le contrôle financier de la Société du Chemin de Fer de Bagdad, de la déclaration du 7 mars, 1911, ci-annexée, m'autorisent à déclarer qu'ils acceptent que les mots :

"pour une section de 400 à 500 kilom. calculés à partir du Golfe Persique"

s'interprètent dans le sens de :

"la section comprise entre Bagdad et le Golfe Persique, soit en totalité, soit en partie."

HUGUENIN.

Constantinople, le 21 mars, 1911.

[21415] No. 146.

Anglo-Persian Oil Company to Foreign Office.—(Received May 9.)

Winchester House, Old Broad Street,
London, May 8, 1913.

Sir,

I BEG to acknowledge receipt of your letter of the 5th instant, transmitting copy of a memorandum left at your Office by the Turkish Ambassador, relative to the alleged pollution of the waters of the Shatt-el-Arab caused by our company's works on Abadan Island.

We are referring the matter to our agents at Mohammerah, and shall be obliged if you will defer replying to the memorandum until we have received their observations on the statements made therein.

In the meantime, however, we are of opinion that the appointment of a commission of the kind indicated in the memorandum is quite unnecessary, as we are quite certain that any pollution of the Shatt-el-Arab caused by our refinery must be infinitesimal in

view of the enormous flow and volume of water in the river, and in any case any pollution from this cause would be much less than that resulting from ordinary sewage.

We should be much obliged if you would inform us whether the Turkish Government are entitled to interfere in a matter of this kind, in view of the fact that our refinery is situated on the Persian shore of the Shatt-el-Arab, and also whether it is intended that the Turkish Government should bear the cost of the proposed commission.

I have, &c.
C. GREENWAY, *Managing Director.*

[21440] No. 147.

Sir G. Lowther to Sir Edward Grey.—(Received May 9.)

(No. 223.)
(Telegraphic.) *Constantinople, May 9, 1913.*

HIS Majesty's consul reports from Mosul that the situation in Kurdistan is disquieting, and that Christian property and cattle have been raided by Kurds on a large scale.

[21451] No. 148.

Sir G. Lowther to Sir Edward Grey.—(Received May 9.)

(No. 225.)
(Telegraphic.) *Constantinople, May 9, 1913.*

YOUR telegram No. 207 of 6th May.

New law on vilayets still lacks the sanction of the Chamber and is already encountering opposition in the non-Turkish vilayets, *e.g.*, Basra and Syria, while general internal situation is still far from stable. It would seem essential first to ascertain from the Ottoman Ambassador precise nature of attributions, powers, and relations to the local authorities of the British inspectors asked for, and especially in the case of adviser and Inspector-General at the Ministry of the Interior.

The position of a foreign adviser at the Ministry of the Interior would be a very difficult and delicate one, especially in the matter of appointment and revocation of officials in a country like Turkey, where there are such a multitude of candidates for posts, also in the case of "election" rigged by the local provincial authorities, as in those of the spring of 1912.

As to justice, there are negotiations for the appointment of a Frenchman as adviser or Inspector-General, and he might prefer to have Frenchmen as provincial subordinates. A German would seem best for Forestry and Agriculture.

Ministry of Public Works is French in colouring, as the officials speak French or have been trained in France, so that French interests are apt to receive preferential consideration, possibly to the disadvantage of Turkey.

Gendarmerie might well be in British hands, but it can hardly be expected that one officer in each vilayet will secure anything like efficiency.

[20662] No. 149.

Foreign Office to Board of Trade.

(Confidential.)
Sir, *Foreign Office, May 9, 1913.*

I AM directed by Secretary Sir E. Grey to transmit to you, for the confidential information of the Board of Trade, a copy of a memorandum,* communicated by his Highness Hakki Pasha on the 1st instant, setting forth the various points to which the Ottoman Government desire to secure the assent of His Majesty's Government.

As regards point 1, it will be observed that the Turkish Government ask for the assent of His Majesty's Government to an increase in the customs duties not for a limited period, but for an indefinite one. It has been urged in the negotiations by

* No. 113.

[20107] No. 149*.

Foreign Office to General Post Office.

(Confidential.)

Sir, *Foreign Office, May 9, 1913.*

I AM directed by Secretary Sir E. Grey to state, for the strictly confidential information of the Postmaster-General, that negotiations have recently been taking place in London with a view to reaching a settlement of several questions outstanding between this country and Turkey.

From present indications it appears not unlikely that the Turkish Government may agree to meet the wishes of His Majesty's Government on several questions of great political and commercial importance, and, in these circumstances, Sir E. Grey is anxious to consider sympathetically the desiderata put forward by the Turkish Government, though this does not of course imply that he is prepared to return a favourable reply on every point.

A list of the Turkish desiderata is enclosed,* and I am to draw your attention to point 4, and, in this connection, to refer to the letter dated the 4th November, 1910, from this department.

I am to request that Sir E. Grey may be furnished, at the earliest possible moment, with an expression of the Postmaster-General's views as to the extent to which the Turkish wishes can be met.

I am, &c.
W. LANGLEY.

* No. 144.

Hakki Pasha that if the increase were limited, say, for a period of seven years, as His Majesty's Government proposed in their note of July 1912 to the Turkish Ambassador, the Turkish Government would not be able to make full use of such an increase as security for advances.

Subject to the assent of all the Powers concerned being obtained to a permanent increase, Sir E. Grey is disposed to concur in the request of the Turkish Government. He would, however, be glad to receive the views of your Department on this point; and, inasmuch as it was originally proposed that the Shatt-el-Arab Conservancy Convention should be subject to denunciation after twenty-one years so as to coincide with the expiry of a period (say, the third of seven years) for which His Majesty's Government would have given their assent to the levy of customs duties at 15 per cent. *ad valorem*, the question now arises whether His Majesty's Government should not stipulate that, if they assent to the levy in question for an indefinite period, the Shatt-el-Arab convention should not be modified so as to remain in force for at any rate a longer period than twenty-one years. Sir E. Grey would propose eventually to substitute fifty for twenty-one years in the draft convention, but he desires in the first instance to be furnished with the views of the Board of Trade and India Office.

As regards point 2, this is a matter which principally concerns your Department. Subject to any views you may express, Sir E. Grey is disposed to reply that in principle His Majesty's Government will agree to a specific tariff if the other Powers do so; but that the details must be the subject of negotiation and mutual accommodation. In regard to this subject, however, I am to refer to your letter of the 6th instant. I am also to state that Sir R. Crawford is understood to be in favour of a specific tariff in Turkey.

3. Sir E. Grey is disposed to say that the embassies at Constantinople are already in negotiation with the Turkish Government regarding the tenetta tax, and the conditions on which the Powers can assent to it.

4. The question of foreign post-offices in Turkey is raised in a letter addressed to the Post Office to-day. A copy has been furnished to your Department.

5. As regards the Capitulations, Sir E. Grey is well aware that their abolition would be regarded as impracticable by the embassies at Constantinople under present conditions. It will be observed, however, that all that is asked is that His Majesty's Government should not refuse "to study" the question.

If the issue of the present negotiations proves as favourable as is indicated by the draft conventions which have been initialled, Sir E. Grey would be glad to be able to gratify Turkish *amour-propre* by not returning a flat refusal to this request.

He would be disposed to say that His Majesty's Government do not think the majority of the Powers would agree to the abolition of the Capitulations in present conditions, but that His Majesty's Government are nevertheless prepared, while reserving their final decision, to enter upon a study of the whole question with a view to deciding if, under certain conditions (judicial and other), they would, in concert with the other Powers, agree to a modification of the capitulatory régime.

I am to ask for an early reply to this letter.

I am, &c.
LOUIS MALLET.

[21611] No. 150.

Minute by Mr. Parker.

IN accordance with Sir A. Nicolson's instructions I saw Herr von Kühlmann again to-day.

I said that we had to-day communicated a statement (of which, for facility of reference, I attach a copy) to Hakki Pasha about the navigation of the Euphrates and Tigris. I explained to Herr von Kühlmann the substance of the paragraphs printed in italics, and I said that we had worded these paragraphs in such a manner because we did not wish at this stage to divulge to Hakki Pasha that the Germans had told us that they would disinterest themselves in the river; though we should of course count on their doing so if the proposals Herr von Kühlmann had communicated to us on the 7th May were accepted.

He said he fully appreciated the course we had adopted; and he understood the true inwardness of the wording used in the communication to Hakki Pasha.

After some general conversation, I said to him that a rumour had reached us, both from Bagdad and through a certain Herr Ruete in London (though I asked him not to mention Herr Ruete's name), that the Bagdad Railway Company were contemplating a change of *tracé* for the main line from Mosul to Bagdad, so as to pass viâ Khanikine. I said that we did not wish to be inquisitive, but the alteration if made would of course be important, and we should be glad if the Germans could give us any information on the point. He said he did not know, but that he would telegraph to Berlin to enquire: I asked him not to telegraph, as the matter did not press.

He then said that he would like to warn me about Herr Ruete: he was a perfectly honest, though somewhat garrulous individual; he had no direct connection with the Deutsche Bank, but was anxious "de se faire valoir," and he was a great friend of Mr. Lynch. He was, moreover, always preaching in the German press on the theme that the Bagdad Railway should stop at Bagdad and not go on to Basra,—ideas which Herr von Kühlmann thought might be traced to the financial interests of Mr. Lynch. As a matter of fact, the Bagdad Railway Company, and the Deutsche Bank, and the German Government, attached the greatest importance to the construction of the Bagdad–Basra section: he thought it well to make it plain that Herr Ruete had no sort of mandate from either the German Government or the Deutsche Bank to negotiate on railway questions. I replied to Herr von Kühlmann that this applied equally, *mutatis mutandis*, to Mr. Lynch. He had no authority to enter into any negotiations about the railway on the part of His Majesty's Government, and anything he might say should be treated with great circumspection.

Herr von Kühlmann then told me that some years ago he had noticed that a great deal of the opposition to the Bagdad Railway in the English press emanated from Mr. Lynch, and he had accordingly recommended the Company to give Mr. Lynch a job: consequently the arrangement had been made for Mr. Lynch's steamers to convey material for constructing the Railway, and since then Mr. Lynch had become strongly in favour of Anglo-German co-operation, and the press agitation had diminished.

A. P.

Foreign Office, May 9, 1913.

Enclosure in No. 150.

Statement communicated to Hakki Pasha May 9, 1913.

(Confidential.)

WE have been asked by Hakki Pasha to consider whether His Majesty's Government would prefer a solution of the river navigation question on the lines of—

1. The draft Convention already discussed, or
2. The abortive Lynch Convention of 1909, or
3. The maintenance of the existing British Company as a separate enterprise, and, subject to the maintenance of its rights, the grant of a concession to a new Ottoman Company jointly controlled and financed, of exclusive rights of steam navigation on the rivers.

It is obvious that so much must depend on the details of any scheme that only a provisional indication of views can be given at the present stage. Subject, however, to the satisfactory adjustment of the detailed arrangements, we are at present disposed towards a solution on the lines of the third alternative, which will have the advantage of avoiding the difficulty of the flag.

As regards the composition of the new Ottoman Company, Hakki Pasha suggested a tripartite arrangement under which one-third of the capital would be Turkish, one-third British, and one-third would be supplied by the Belgian Company for the transport of materials for the Bagdad Railway. As the capital of the last-named Company is half British and half German, the effect of this would be that half the capital would be British, one-third Turkish, and one-sixth German.

As regards this proposed division of capital, we must be free to arrange with the Germans as to the allocation between the two countries of the Anglo-German share. In the event of the Germans foregoing their share, we should be willing that this should be divided equally between Great Britain and Turkey.

The limits and period of the concession should be generally on the lines already

discussed between us. It would no doubt be necessary to provide some means whereby a fair share of the future expansion of the trade of the rivers would be carried by the British Company, which otherwise might find itself driven out by the competition of the new Company.

If an arrangement on the above lines commends itself to the Imperial Ottoman Government it will probably be sufficient to make it the subject of a declaration, leaving the details of the concession to be worked out between the Imperial Ottoman Government and the concessionnaire. It would be useful if some indication could be given of the payment which the Imperial Ottoman Government would expect in return for transferring to the new Company its interests in the navigation of the rivers.

H. LL. S.
A. H.
A. P.

May 9, 1913.

[21752] No. 151.

Sir G. Lowther to Sir Edward Grey.—(Received May 13.)

(No. 381.)

Sir, *Constantinople, May 3, 1913.*

WITH reference to my despatch No. 299 of the 10th of last month, I have the honour to forward herewith a despatch from His Majesty's consul at Aleppo, reporting on the desire of the Aleppo Arabs for British rule. I also enclose copy of a telegram which I have addressed to Mr. Fontana warning him to adopt a purely non-committal attitude in the matter.

I have, &c.
GERARD LOWTHER.

Enclosure 1 in No. 151.

Consul Fontana to Sir G. Lowther.

(No. 24. Confidential.)

Sir, *Aleppo, April 21, 1913.*

WITH reference to my despatch No. 17, Confidential, of the 25th ultimo, transmitting a petition sealed by Moslems begging that British protection might be extended to this region, I have the honour to report that Jemil Bey Hakim, an Arab of note who was banished from Constantinople by the ex-Sultan, and Sheikh Mohammed Kilevi, head of the Ittilaf party at Aleppo, called upon me a few days ago in connection with the same matter. Jemil Bey Hakim, with whom I was previously acquainted, states that he is known to the first dragoman of His Majesty's Embassy at Constantinople. Sheikh Mohammed Kilevi is an elderly Arab of the greatest influence and highest standing at Aleppo. They informed me that all the Moslems here were in favour of some form of British Administration being extended to this district and town, and that they hoped the province would be placed under the Egyptian Government. They assured me with emphasis that they could readily bring about a general movement of the Aleppo Arabs in favour of England, but that they must have some private intimation that this action would meet with support. Jemil Bey Hakim, who seems to have powerful relatives and connections at Damascus, declared that he was ready to start at any time for that city to set on foot a similar movement with a similar object. He said that all that he required was a clear intimation that his action would be approved and supported, and that there was real hope of British intervention with a view to the country being annexed to Egypt or otherwise placed under British control.

I replied to Jemil Bey Hakim and Sheikh Kilevi that I felt sure that His Majesty's Government would appreciate the sentiments expressed by them on behalf of the Aleppo Moslems, and that I would hasten to submit their statements to your Excellency.

I have, &c.
R. A. FONTANA.

Enclosure 2 in No. 151.

Sir G. Lowther to Consul Fontana.

(No. 5.)
(Telegraphic.)
Constantinople, May 2, 1913.

YOUR despatch No. 24 of 21st April.

In the case of such applications you should confine yourself to intimating that we cannot encourage projects which are inconsistent with the views of the Central Ottoman Government.

[21510] No. 152.

Sir G. Lowther to Sir Edward Grey.—(Received May 10.)

(No. 385.)
Sir,
Constantinople, May 4, 1913.

I HAVE the honour to forward herewith a despatch, from His Majesty's vice-consul at Adana, reporting on the dissensions between the Union and Progress and the Liberty and *Entente* parties at that place.

I have, &c.
GERARD LOWTHER

Enclosure in No. 152.

Vice-Consul Matthews to Sir G. Lowther.

(No. 22.)
Sir,
Adana, April 28, 1913.

WITH reference to my despatch No. 16 of the 16th instant, I have the honour to report for your Excellency's information that Topal Sheikh-zadeh Hajji Ali, a member of the Committee of Union and Progress who carries on business as a timber merchant in the Saljilar quarter of Adana, stated some ten days ago in the presence of about twenty Moslems that it was "necessary to prune the Armenians again." Some of those present objected that such advice if acted upon would complete the ruin of the country, whereupon he cursed them as "Ittilafji" (Ententists) who ought to be hanged. The incident was brought to the Vali's notice, and upon the sworn statements of certain of those present when the threatening remarks were made, Hajji Ali was arrested, but was almost immediately released on a certificate from the sanitary-inspector, Eshref Bey, that he was insane. Eshref Bey was formerly, and is said still to be, President of the local Committee of Union and Progress Club (see my despatch No. 44 of the 12th November last). Not content with this success, however, the Committee of Union and Progress Club presented a petition to the Vali, charging the Liberty and *Entente* Club with disseminating baseless and disquieting rumours. I am informed that an enquiry into these charges was begun to-day, and although the Vali is generally supposed to be a member of the Committee of Union and Progress, I am not without hope that he will act with prudence and avoid taking any very decided action. Otherwise, an outbreak between the two Turkish factions may conceivably occur, and in such an event the Christians would almost certainly suffer.

Yakub Jemil Bey, the Committee of Union and Progress delegate to Adana, and a fellow Committee man named Khusref Bey have not been seen for the past week, and it is stated that acting on the Vali's advice they have left the district.

The general situation is unsatisfactory, but I am glad to be able to report that the Christians are becoming reassured.

Although the occurrence has no connection with what precedes, I take the opportunity of reporting that an Italian labourer on the Taurus tunnels of the Bagdad Railway Company was murdered and robbed near Dorak on the 20th instant, apparently by Kurds.

I have, &c.
W. D. W. MATTHEWS.

[21512] No. 153.

Sir G. Lowther to Sir Edward Grey.—(Received May 10.)

(No. 387.)
Sir,
Constantinople, May 6, 1913.

WITH reference to my despatch No. 774 of the 11th September, 1912, I have the honour to forward herewith a despatch from His Majesty's consul at Damascus, reporting on the discontent among the Druzes at Sweida.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 153.

Consul Devey to Sir G. Lowther.

(No. 27.)
Sir,
Damascus, April 19, 1913.

I HAVE the honour to report that there was a rumour here two weeks ago about a soldier or a zaptieh having been killed while collecting taxes near Bosra by Druzes. After which a large meeting of the Jebel Druze sheikhs had assembled at A'ri, the village where resides Yahia Bey Atrash.

It now appears that a soldier was indeed killed, but by his comrades, in some disgraceful drunken brawl among a small party to whom leave had been granted.

Thus the matter is of small importance.

There are, however, some signs of unrest among the Druzes of the "mountain," and I beg to refer to my despatch No. 56 of last autumn, recounting an outbreak in the caza town of Sweida, with a rumour of the Government house and mosque there having been burnt, which subsequently proved untrue.

The special ground of complaint by the Druzes of Sweida now seems, though a very old yet a well-founded one. In the disturbances of 1896 and 1897, when Turkish troops were despatched on a large scale into the district, Sweida was occupied and troops were billeted in the Druze "khalwa" or temple of that town, which was inhabited entirely by Druzes; though there may now to-day be two or three Moslem or Christian houses established there during the last five or six years.

The "khalwa" was occupied several months, and when they were withdrawn orders were given that it should be used as a mosque. The minaret was built in the year 312 (= 1895). It was used as a mosque for one year only.

The building clearly is the property of the Sweida Druzes, but Moslem bigotry hesitates from restoring it to them, and unless this eventually takes place there seems a strong probability that the present discontent may develop into further insurrection.

I have, &c.
G. P. DEVEY.

[21513] No. 154.

Sir G. Lowther to Sir Edward Grey.—(Received May 10.)

(No. 388. Confidential.)
Sir,
Constantinople, May 6, 1913.

WITH reference to my despatch No. 343 of the 24th April last, on the subject of the unrest in the Adana district, I have the honour to report that the critical stage of the Oriental Easter holidays has passed without the occurrence of the disturbances apprehended.

In Armenian circles here this is attributed to the presence at Mersina of the German warships reported by Mr. Vice-Consul Matthews in his telegram to you of the 2nd May and to the vigorous representations which the Commander of the "Strassburg" is alleged to have made to the Adana local authorities.

On the other hand the "Tanin" gives the information, from what it styles reliable sources, that the alarmist rumours as to intended disorders in Adana were spread by Germans employed on the Bagdad Railway.

The whole incident had tended to give consistency to the belief in native circles that Germany has more than special economic interests in Cilicia, and her recent action, together with that reported in my despatch No. 308 of the 14th, is regarded as

evidence of her intention to take over the protection of the Armenians in a sense that is locally interpreted as anti-Russian.

In view of the continued reports of incidents from the provinces inhabited by Armenians, some of the less moderate elements in the Armenian community here have been bringing pressure to bear on the Patriarch to resign and thus lead to a kind of rupture with the Government by way of protest, the recent refusal of the Minister of the Interior to receive a deputation from the Armenian Assembly having been seized upon as a pretext. For the moment, however, more moderate counsels have prevailed, partly, it is stated, on advice from Russian quarters, but it may appear that a crisis may soon be reached in the relations between the Government and the Armenian Patriarchate and National Assembly, many of whose members are losing patience at the prolonged delay in carrying out the reform measures promised during recent years.

It is also reported that some members of the Committee have been endeavouring to divert the hostility of their political opponents from themselves to the Armenians whom they represent as traitors intriguing with Russia with a view to realising the separation of the Eastern Anatolian provinces. Propaganda of this nature is undoubtedly dangerous and, in view of the exaggerated tales of wholesale massacres of Moslems in Macedonia, may create in Asia Minor a current of fanaticism which it may be difficult, if not impossible, to control.

I have, &c.
GERARD LOWTHER.

[21515] No. 155.

Sir G. Lowther to Sir Edward Grey.—(Received May 10.)

(No. 391.)
Sir, *Constantinople, May 6, 1913.*

WITH reference to a telegram sent to you direct by His Majesty's vice-consul at Adana on the 2nd instant, I have the honour to report that I learn from Mr. Matthews that the German warship "Goeben" arrived at the port of Mersina on the 4th instant, and that the admiral and two officers proceeded by special train to Adana on the morning of the 5th, where, accompanied by the German vice-consul, they called on the vali, who had been informed on the 3rd May by the Minister for Foreign Affairs of the proposed visit. The admiral and both officers wore in full uniform.

I have, &c.
GERARD LOWTHER.

[21656] No. 156.

Sir G. Lowther to Sir Edward Grey.—(Received May 10.)

(No. 227.)
(Telegraphic.) *Constantinople, May 10, 1913.*

MY telegram No. 210 of 29th April: Situation at Basra.

Following from consul at Basra yesterday:—

"No disturbance so far, but situation by no means reassuring. The Arabs are awaiting the decision of Constantinople as to application of new law of general assembly. New vali arrived, and the 'Alert' is here. Secret preparations are going on among the Arabs for armed resistance if they are rebuffed.

"It is impossible to say whether matters will be pushed to extremities by either side. Copy of details by post to-morrow.

"(Repeated to Resident at Bagdad.)"

[21658] No. 157.

Sir G. Lowther to Sir Edward Grey.—(Received May 12.)

(No. 228.)
(Telegraphic.) R. *Constantinople, May 12, 1913.*

MY despatch No. 306 of 11th April.

Representative of firm of Helbert, Wagg, and Co., in Constantinople negotiating for concession in return for cash advance to Turkish Government. He says concession has been practically promised to them, but negotiations still incomplete. He further

states that his firm is acting independently, with that of Murrietta and Co., for concession of exclusive right to work oil and for pipe line in Mosul and Bagdad vilayets, and that share will be eventually given in company to be floated to Deutsche Bank to propitiate them in view of their interests in Bagdad Railway, their desire being to keep this share as small as possible. Above statement hardly seems compatible with rights claimed by Deutsche Bank under civil list agreement of 1904. No application has been made for assistance of this embassy.

[21757] No. 158.

Sir G. Lowther to Sir Edward Grey.—(Received May 13.)

(No. 395.)
Sir, *Constantinople, May 7, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's consul at Erzeroum, reporting on anti-Armenian excitement at Bitlis.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 158.

Consul Monahan to Sir G. Lowther.

(No. 27.)
Sir, *Erzeroum, April 22, 1913.*

I HAVE the honour to submit the following information from Bitlis:—

On the 17th March, 1913, Mr. Knapp writes: "A battalion here is getting ready to go to Sairt. There is a persistent report that Bedr Khan Zadé Abdur Rezak has actually raised the flag of insurrection in the Bohtan region."

On the 3rd March, 1913, he writes: "There is trouble among the Kurdish tribes in the region of Sairt. It is said to have been started by Bushari Chatto of the Penjeenarlee tribe. He made a Kurd who brought three rifles from Aleppo for other Kurds give them up. Upon this several tribes are now preparing to attack him, especially the Aligan tribe. The Government is sending a commission to reconcile them."

On the 7th instant, he writes: "The commission, consisting of Yusuf Pasha, Sadullah Effendi, ex-member of Parliament and the son of the Vali, left on the 30th ultimo to bring about a reconciliation between the Penjeenarlees, the tribe of Bushari Chatto, and the Aliganlis."

It would appear then that there is no active insurrectionary Kurdish movement in the Sairt district, which includes the Bohtan district, but only an inter-tribal affair, though Mr. Knapp writes on the 14th instant: "troops and guns are on the way from Mush going through here to Sert where the movement among the Kurds is assuming formidable proportions." I understand from Vice-Consul Captain Seel that two battalions from Sert and a battery from Mush have been sent into Diarbekir vilayet to suppress the agitation raised in that vilayet against the Government by the sons of Bedr Khan who are, I learn, named Kamil Bey and Hassan Bey.

Neither Abdur Rezak nor any other important Kurdish agitator would appear to have been in the Sairt district.

I would venture to take this opportunity to correct the statement in my despatch No. 80 of the 5th November, 1912. "Jabir Pasha went with Sheikh Yusuf, a relative of Sheikh Abdullah, in the hope of persuading the latter to come into Turkish territory. Hitherto, however, Sheikh Abdullah declines to come." In this, for Sheikh Abdullah Sheikh Taha should be read. (See Vice-Consul Captain Seel's quarterly report, Van despatch No. 9 of the 4th instant.)

Mr. Knapp writes on the 14th instant the following narrative:—

"On the evening of the 11th instant a profligate Turk in the company of an Armenian boy, a pupil in the Turkish Government School, was stabbed to death by some unknown persons in "an out of the way resort for immoral purposes" in a Turkish quarter of Bitlis town; in which quarter there are very few Armenians. The assailants were probably Turks quarrelling together and with the first mentioned Turk over the boy. The next morning more than a 100 excited and armed Kurds and Turks from that

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ward took the body to the Government building, and assuming at once that the work was that of Armenians, demanded that the culprits should be hanged at once, or that they would take matters into their own hands. The Vali did his best to pacify them by saying that the matter would be attended to at once, and that he would get a permit from Constantinople to hang those who were proved murderers. Fortunately, Saturday was a church holiday, so that the Armenians had not opened their shops in the markets, or there would very probably have been a serious attack on the Armenians with much bloodshed. As it was, part of the mob which returned to that quarter attacked an Armenian who was in his garden. He fled to his house, and those who followed wounded both him and his wife and mother who tried to protect him. A young Armenian from the eastern part of the city who was going later in the day to see how his sister in this other ward was faring was met by a sheikh and his servant. The latter gave him a dangerous wound in the neck with a little hatchet. The Government has imprisoned seven Armenians, including the boy, and so far no Moslem has been arrested. The few Armenians in that quarter are practically in a state of siege, not daring to leave their houses. The father of the killed man is going about trying to get vengeance by killing some Armenian. There is a threatening attitude against the Armenians all round. This, the third day, the Armenians have not dared to open their shops, and the Government has got out patrols, the situation seems to be getting worse. The leading Armenians have been in the prelacy most of the day discussing the situation. There are less than a 100 troops in the city now and no guns (mountain)."

The boy, if, as it would appear, he was present at the stabbing must probably know whether the assailants were Turks or Armenians. An Armenian gentlemen in Bitlis writes that the stabbing was done in a cave by Armenians rescuing the boy from the Turk who was carrying him off. So far as is known here, there has been no disturbance in Bitlis since the 14th instant. The news of the dismissal of the Valis of Bitlis and Van was received here yesterday. They are supposed to have been dismissed solely on account of their opposition to the party of Union and Progress.

I have, &c.
J. H. MONAHAN.

[22196] No. 159.

Memorandum communicated by M. de Fleuriau, May 13, 1913.

L'AMBASSADE de France à Constantinople a récemment remis à la Sublime Porte deux notes verbales indiquant les conditions auxquelles le Gouvernement de la république serait disposé à autoriser la perception sur ses ressortissants de l'impôt des revenus mobiliers, conformément au projet élaboré par la Commission des Réformes financières. La première de ces notes, conforme à un texte identique rédigé de concert par les diverses ambassades, est relative à des conditions qui sont communes à toutes les Puissances; la seconde est relative à des conditions qui sont particulières au Gouvernement français.

Mais, en dehors de ces deux ordres de conditions, le Gouvernement français s'est demandé s'il n'y aurait pas lieu, avant de consentir définitivement à la perception de l'impôt sur les revenus mobiliers, de spécifier que le produit de cet impôt ne saurait être affecté au service des emprunts du Chemin de Fer de Bagdad. Il se pourrait en effet que, s'appuyant sur une disposition du décret du 28 mouharrem, 1299, relative à l'impôt des patentes, l'Administration de la Dette publique prétendit faire verser dans ses caisses l'excédent de l'impôt sur les revenus mobiliers qui doit comprendre les patentes. Dans ce cas, 75 pour cent de la part encaissée par la Dette publique devraient, en vertu des Conventions du Chemin de Fer de Bagdad, en date des 2 juin, 1908, et 21 mars, 1914, être affectés au service des séries 2 à 6 des emprunts de cette entreprise. Or, le Gouvernement français ne saurait consentir à soumettre ses ressortissants à l'impôt sur les revenus mobiliers qu'afin de fournir des ressources au Gouvernement ottoman; il ne pourrait imposer cette charge aux Français dans le but de faciliter l'achèvement d'une entreprise particulière comme celle du Chemin de Fer de Bagdad; il lui semblerait donc opportun de ne donner son assentiment à l'application de l'impôt sur les revenus mobiliers qu'en spécifiant des réserves semblables à celles déjà faites pour l'augmentation des droits de douane ottomans.

Si telle était également l'opinion du Secrétaire d'État pour les Affaires Étrangères, il y aurait lieu d'exercer à Constantinople une action commune de la France, de

l'Angleterre et de la Russie en vue de soustraire le produit de l'impôt sur les valeurs mobilières à la garantie du Chemin de Fer de Bagdad.

M. de Fleuriau saisit, &c.

Ambassade de France, Londres,
le 13 mai, 1913.

[21847] No. 160.

Sir G. Lowther to Sir Edward Grey.—(Received May 13.)

(No. 231.)
(Telegraphic.) *Constantinople, May 13, 1913.*

MY telegram No. 227 of 10th May.

Following from consul at Basra:—

"Talib Bey informs me that vali's conciliatory attitude satisfies him that the latter is doing his best for the Arabs, though still prepared, and on his guard. Talib seems disposed to exercise moderation in pressing the Arab demands.

"The atmosphere is certainly clearer, but Munelik attitude causes some anxiety."

(Repeated to Bagdad.)

[22076] No. 161.

Lieutenant-Colonel Sir P. Cox to Sir Edward Grey.—(Received May 13.)

(Telegraphic.) R. *Bushire, May 13, 1913.*

POLITICAL agent at Bahrein telegraphs viâ Henjam that, according to report from authentic source, Ibn Saud has occupied Al Hassa without opposition. Local Bushire report derived from Turkish officials passing through from Bahrein by German steamer corroborates above, and adds that Ibn Saud is now threatening Katif and Ojair.

(Addressed to India; sent to Foreign Office.)

[21658] No. 162.

Sir Edward Grey to Sir G. Lowther.

(No. 216.)
(Telegraphic.) R. *Foreign Office, May 13, 1913.*

YOUR telegram No. 228 of 12th May: Mesopotamian oilfields.

Your Excellency should tell Minister for Foreign Affairs of information which has reached you and enquire whether the facts are as stated. You should urge his Excellency not to allow Turkish Government to commit themselves in view of your recent representations.

[22078] No. 163.

Minute by Mr. Parker.

AN interview took place to-day between Hakki Pasha, Sir H. Ll. Smith, and Sir A. Hirtzel and myself regarding the Mesopotamian navigation question: the discussion on this subject was only tentative, and I need make no record of it, as it was arranged that a further interview should take place on Friday afternoon.

(I may, however, mention parenthetically that we subsequently ascertained from Lord Inchcape that he is prepared to put up 100,000*l.* to buy Lynch out from the navigation, or to co-operate with Lynch if he cannot be bought out.)

The question of the Turkish veto on Egyptian borrowing powers then came up for discussion; and Sir H. Ll. Smith and Sir A. Hirtzel then left.

I showed Hakki Pasha the draft declaration providing for the renunciation of the veto by Turkey,—the draft being based on a telegram just received from Lord Kitchener. Hakki Pasha said that this was the most difficult question of all, as Turkey could not

abandon her right of veto without parliamentary consent, and that Tewfik Pasha would speak to Sir A. Nicolson on the subject. I asked him if he could suggest any change of wording, as he seemed specially to object to the proposed form of declaration (annexed). He said he would think it over; but he repeated that it was a very difficult point to settle. I replied that this was very unfortunate, as His Majesty's Government had from the first made the removal of the veto a principal condition of their assent to the customs increase. He then suggested that a possible way of meeting the case would be for Turkey to agree now to one very large loan to be raised in instalments over a number of years. I said that I was convinced that nothing short of an absolute renunciation of the right of veto would be satisfactory.

Hakki Pasha then said that the Porte had been much disturbed by the joint note sent in by the British and Russian Governments on the 3rd May about the Turco-Persian frontier, as Turkey had expected far more compensation in Zohab for her conciliatory attitude elsewhere. I replied that I had seen the note (of which he had a copy), and, looking on the question historically, I was much struck by the advantageous concessions made to Turkey. He said that, as his name was mentioned in the joint note, the note had been referred to him, and could I help him, by going over the proposed line on the map, to advise the Turkish Government as to the reasons for accepting the joint note. I said that I was not authorised to discuss this question, and that I must first ask for permission to do so. He said that as his only object was to reach a settlement, surely there could be no objection to unofficial conversation. I said I would let him know after speaking to Sir Arthur Nicolson.

He then said the Russian attitude was most unreasonable: they even claimed that Vazné was Persian,—a place which had been incontestably Turkish for centuries. I said that as it was in the "disputed zone" the ownership was clearly contested; but as a matter of fact Sir Henry Rawlinson, an impartial witness, described it in 1844 as Persian.

A. P.

Foreign Office, May 13, 1913.

Déclaration.

LE Gouvernement Impérial ottoman déclare que le Gouvernement Khédivial a la disposition complète et entière des affaires financières de l'Égypte, ainsi que pleine faculté de contracter, à tout moment et sans l'autorisation du Gouvernement Impérial ottoman, tels emprunts, soit intérieurs, soit à l'étranger, qu'il jugera nécessaires.

Paraféé *ad referendum.*

[22090] No. 164.

Sir G. Lowther to Sir Edward Grey.—(Received May 14.)

(No. 100.)
Sir, *Constantinople, May* 8, 1913.

I HAVE the honour to acknowledge the receipt of your despatch No. 117 of the 22nd April, in which you ask for information on two points raised in the report from His Majesty's consul at Aleppo, forwarded to you in my despatch No. 279 of the 5th April.

With regard to the question of cypher telegraphic correspondence, I have the honour to state that such correspondence with Aleppo was only interrupted for a very short time. The prohibition, as originally notified, extended to practically all the ports of Asiatic Turkey and to many inland towns, but, as a result of the protest lodged by the foreign missions here, it was soon restricted to Smyrna, the Dardanelles, and the other ports on the Marmora, so that at present Smyrna and the Dardanelles are the only consular posts in Asia possessing cyphers which are unable to use them in the ordinary way for correspondence with His Majesty's Embassy. In the case of Smyrna, I am able to correspond with His Majesty's consul-general in cypher by wireless telegraphy so long as one of His Majesty's ships is there, while the vice-consul at the Dardanelles has arranged an ingenious code in French, intended to meet any circumstances, in which it might be desirable to communicate with me secretly in case of urgent necessity.

With regard to the other enquiry contained in your despatch under reply, whether there is any truth in the statement contained in the anonymous communica-

tion addressed to His Majesty's vice-consul at Adana to the effect that the Germans had received a million as compensation for their losses in the Adana massacres, His Majesty's vice-consul at Adana informs me that the whole of the German property destroyed at Aderna on that occasion was probably not worth more than a few hundred pounds. So far as he knows, no compensation whatever has been paid to the Germans.

I have, &c.
GERARD LOWTHER.

[22092] No. 165.

Sir G. Lowther to Sir Edward Grey.—(Received May 14.)

(No. 402.)
Sir, *Constantinople, May* 10, 1913.

WITH reference to my telegram No. 207 of the 4th May, I have the honour to forward herewith a despatch from His Majesty's vice-consul at Adana, reporting on arrivals there of Moslem refugees.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 165.

Consul Matthews to Sir G. Lowther.

(No. 24.)
Sir, *Adana, May* 5, 1913.

WITH reference to your Excellency's telegram No. 5 of the 3rd instant, I have the honour to report that Moslem refugees have arrived here in small numbers during the past six weeks (see the second paragraph of my despatch No. 14 of the 29th March). It is estimated that between two and three hundred families have arrived, most of whom have been provided with work in the town and neighbourhood of Adana. It was reported last week that the Government had settled some of the refugees in the Hamidieh district, but the vali informed me yesterday that, although some of the refugees had found employment on farms in the neighbourhood of Hamidieh, no grants of land had been made to them, and, so far as he was aware, no grants of land would be made. The local authorities are looking after the refugees, but work being plentiful and well remunerated their task is a light one. A wealthy local Christian, who is a large employer of labour, informs me that agricultural labourers, who at the corresponding period of last year received from 15 to 20 piastres a-week and their food, are at present receiving 40 piastres a-week and their food. The wages of factory operatives are about 20 per cent. higher than last year. No able-bodied man, woman, or child who is willing to work need want.

I would add, in conclusion, that there are few cases of destitution among the refugees who have arrived here, and provided the Government does not attempt to settle the immigrants in Armenian districts, the Armenians have no reasonable cause for complaint and little fresh cause for apprehension.

I have, &c.
W. D. W. MATTHEWS.

[22223] No. 166.

Sir G. Buchanan to Sir Edward Grey.—(Received May 14.)

(No. 191.)
(Telegraphic.) R. *St. Petersburgh, May* 11, 1913.

YOUR despatch No. 63 of 5th February: Lighting and buoyage of Persian Gulf.

Aide-mémoire from the Russian Government states that the Russian consul-general at Bushire has been instructed not to display lights of the nature of marine lights on the consulate-general, but only such lamps as are necessary to light the space round the building.

[20859] No. 167.

Foreign Office to India Office.

Foreign Office, May 14, 1913.

Sir,

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 5th instant, enclosing correspondence between Sir P. Cox and the Government of India respecting the proposed transfer of the coal depôt from Bushire to Koweit.

I am to state that Sir E. Grey notes with satisfaction the attitude of the Government of India in regard to this question; and he considers that it would be inopportune to take any action pending the conclusion of the negotiations now proceeding with the Turkish Government.

I am, &c.
LOUIS MALLET.

[20862] No. 168.

Foreign Office to Admiralty.

(Confidential.)

Foreign Office, May 14, 1913.

Sir,

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 5th instant, respecting the draft convention relative to the Shatt-el-Arab.

I am to inform you in reply that the Secretary of State has decided on the adoption of the expression "inspecteur des services fluviaux," and that the draft convention has already been initialled.

I am, &c.
LOUIS MALLET.

[22229] No. 169.

Sir F. Bertie to Sir Edward Grey.—(Received May 15.)

(No. 240.)

Paris, May 13, 1913.

Sir,

THE leading article in this evening's issue of the "Temps," copy of which is enclosed herein, is concerned with the reports which have been current in the press for the last two days of the approaching conclusion of the Anglo-Turkish negotiations for the settlement of outstanding differences in the region of the Persian Gulf and other questions relating to the Asiatic provinces of Turkey, and with the concurrent negotiations which are said to be taking place between Turkey and Germany.

The article states that Great Britain is merely developing the system of the Cyprus Convention of 1878, whereby she guaranteed Turkey in the possession of her Asiatic dominions in return for the cession of Cyprus and an undertaking to introduce reforms in the Armenian provinces. Now, however, in return for a renewal of that guarantee, Great Britain demands the recognition of her special position and interests in the region of the Persian Gulf, which, although not mentioned in the text of the Anglo-Russian Convention of 1907, formed the subject of a letter addressed by you to His Majesty's Ambassador at St. Petersburgh and attached to the convention, and in which the Russian Government have acquiesced. In the meantime, it is alleged, an effort is being made, by means of conversations between Turkey and Germany and England and Germany, to reconcile the conflicting interests of the two last-named Powers in the valleys of the Tigris and the Euphrates.

No surprise need be felt, the writer remarks, at what is taking place in view of the negative policy of French diplomacy in the East, to which the "Temps" has so frequently drawn attention. Germany came to an agreement with Russia in 1911 in regard to the Bagdad Railway, and followed it up with a fresh convention with Turkey. England and Turkey are now composing their differences, with Germany as a benevolent spectator, and in such a manner as to safeguard British interests in regard to the Bagdad Railway. All that remains to France is a possible sub-participation, without control, in the great trans-Asiatic line. "Une fois de plus, les affaires d'Asie évoluent donc sans qu'on aperçoive que l'influence française s'y fasse sentir."

Finally, in lamenting the opportunities which French diplomacy has missed, the

foreign editor revives the misleading interpretation which was placed on your statement last year in the House of Commons with regard to Syria—an interpretation to which, as you were good enough to inform me by your despatch No. 635 of the 31st December last, you drew M. Cambon's attention at the time. "At this moment, moreover," the article says, "our embassy at Constantinople imposes on our consuls in Syria an attitude which discourages our Syrian friends, and leaves to the British consuls the rôle which belongs to us, however with the express consent of England, secured by M. Poincaré in 1912."

I have, &c.
FRANCIS BERTIE.

Enclosure in No. 169.

Extract from the "Temps" of May 14, 1913.

NÉGOCIATIONS ANGLO-TURCO-ALLEMANDES.

DES dépêches, qu'on a lieu de croire fondées, annoncent que parallèlement aux négociations de paix, se sont poursuivies, à Constantinople et à Londres, des négociations d'un autre ordre entre la Turquie d'une part, l'Angleterre et l'Allemagne d'autre part. Nous retrouvons dans ces pourparlers toutes les traditions des deux diplomaties les plus habiles à réaliser qui soient en Europe.

La Grande-Bretagne, semble-t-il, s'est bornée à rouvrir le dossier de la négociation de Chypre de 1878, et les circonstances étant les mêmes, a mis en actes la même méthode. A la Turquie amputée, elle a promis comme jadis son aide financière, morale et politique moyennant compensations. La convention relative à Chypre, en date du 4 juin, 1878, portait :—

"Sa Majesté la Reine du Royaume-Uni de la Grande-Bretagne et d'Irlande, Impératrice des Indes, et Sa Majesté Impériale le Sultan, étant mutuellement animés du désir sincère d'étendre et d'affermir les relations d'amitié heureusement existantes entre les deux Empires, ont résolu de conclure une convention d'alliance défensive, dans le but d'assurer pour l'avenir les territoires en Asie de Sa Majesté Impériale le Sultan, &c. . . . . ont convenu :

"Article 1er. Que dans le case où Batoum, Ardahan, Kars, ou aucune de ces places seront retenues par la Russie, et si aucune tentative serait faite à une époque quelconque par la Russie de s'emparer d'aucune autre portion des territoires de Sa Majesté Impériale le Sultan en Asie, fixés par le traité définitif de paix, l'Angleterre s'engage à s'unir à Sa Majesté Impériale le Sultan pour la défense des territoires en question par force d'armes.

"En revanche, Sa Majesté Impériale le Sultan promet à l'Angleterre d'introduire les réformes nécessaires (à être arrêtés plus tard par les deux Puissances) ayant trait à la bonne administration et à la protection des sujets chrétiens et autres de la Sublime Porte qui se trouvent sur les territoires en question; et afin de mettre l'Angleterre en mesure d'assurer les moyens nécessaires pour l'exécution de son engagement, Sa Majesté Impériale le Sultan consent, en outre, d'assigner l'île de Chypre pour être occupée et administrée par elle."

Cette fois-ci l'Angleterre, en faisant aux Turcs des promesses analogues, s'assure les garanties qu'elle désirait depuis longtemps sur la côte du Golfe Persique et pour lesquelles elle avait obtenu en 1907 l'adhésion de la Russie. On se souvient en effet qu'à l'accord anglo-russe du 29 août, 1907, relatif à la Perse, à l'Afghanistan et au Thibet était annexée une lettre de Sir Edward Grey à Sir Arthur Nicolson, alors Ambassadeur d'Angleterre à Saint-Pétersbourg, où on lisait :—

"Il est désirable d'attirer l'attention sur les déclarations antérieures relatives à la politique britannique, de confirmer à nouveau d'une façon générale les déclarations antérieures relatives aux intérêts britanniques dans le Golfe Persique, et d'affirmer à nouveau l'importance qu'il y a à maintenir lesdits intérêts."

La Russie avait adhéré à cette opinion britannique. L'accord proprement dit n'en disait rien pourtant, parce que la question du Golfe ne pouvait pas se séparer de celle du Chemin de Fer de Bagdad.

C'est cette question d'ensemble qui paraît être à la veille de recevoir sa solution. D'une part en effet l'Angleterre et la Turquie ont élaboré une entente qui, en échange de l'aide promise à la Turquie par la Grande-Bretagne, reconnaît les intérêts prépondérants de l'Angleterre dans la vallée du Tigre et de l'Euphrate (secteur Bagdad–Bassora). D'autre part une conversation turco-allemande et anglo-allemande s'est développée parallèlement dans des conditions encore obscures, mais avec la tendance évidente—que souligne un important article de la "Gazette de Voss" nettement favorable à la combinaison—de concilier les thèses opposées jusqu'ici.

Une fois de plus, les affaires d'Asie évoluent donc sans qu'on aperçoive que l'influence française s'y fasse sentir. Il était aisé de prévoir que tôt ou tard les intérêts en présence se rapprocheraient. C'est pour cela qu'en 1909 le Gouvernement français et le Gouvernement anglais avaient résolu de demander à la Porte la concession d'une ligne directe de Tripoli de Syrie au Golfe par Homs et Bagdad. Les deux Gouvernements avaient en effet senti la nécessité de prendre position en vue des accords ultérieurs que tout le monde dès ce moment prévoyait. Ce projet fut abandonné en 1910 par suite de l'opposition de M. Bompard, Ambassadeur de France à Constantinople. Il appartient aujourd'hui au passé et n'est plus susceptible d'être ranimé sous aucune forme.

En effet, à la même époque, la Russie et l'Allemagne se sont mises d'accord sur le Chemin de Fer de Bagdad en un protocole rendu public au début de 1911. Puis l'Allemagne et la Turquie ont signé sur le même objet une nouvelle convention. Aujourd'hui, Anglais et Turcs s'entendent, et l'Allemagne suit d'un œil bienveillant l'élaboration de leur entente. La France pourra peut-être garder dans la création de la grande voie ferrée transasiatique une sous-participation financière sans valeur directrice. Le problème politique aura été résolu sans elle.

Voilà bien des années que le "Temps" a signalé la politique négative de notre diplomatie en Orient. Il ne ressent donc aucune surprise de ce qui se prépare actuellement. En ce moment même d'ailleurs notre ambassade de Constantinople impose à nos consuls en Syrie une attitude qui décourage les sympathies de nos amis syriens et laisse aux consuls britanniques le bénéfice d'un rôle qui nous appartient pourtant avec le consentement explicite de l'Angleterre, obtenu en 1912 par M. Poincaré. Le parti pris de nos agents d'ignorer les aspirations libérales de la Syrie porte à notre situation un coup peut-être mortel. On a peine à s'expliquer l'origine d'une si grave erreur.

M. Pichon, qui se propose d'inscrire dans le prochain budget un crédit de 150,000 fr.—mesure excellente à tous égards—pour les œuvres françaises de Syrie, verra ses efforts réduits à rien s'il ne réussit pas à briser l'inertie négative qui s'affirme avec tant de persistance. Il eût été facile pourtant, si nos représentants en Turquie avaient eu le sens des occasions, de faire avec les Turcs sur les terrains qui nous intéressent ce que l'Angleterre vient de faire. Il ne semble pas qu'on s'en soit jamais soucié à notre ambassade de Constantinople.

[22311] No. 170.

India Office to Foreign Office.—(Received May 15.)

Sir, *India Office, May 13, 1913.*

IN continuation of Sir T. Holderness's letter of the 1st May, 1913, I am directed by the Secretary of State for India to revert to the subject of the site to be selected for the second lighthouse under provision for the Persian Gulf.

The preference, on strategic grounds, for the Musandim over the Little Quoin Island site, to which expression was given in my letter of the 17th March, 1913, was based on the view then understood to be held by the Lords Commissioners of the Admiralty (see their note communicated to the Committee of Imperial Defence on the 17th January, 1913), that any naval station that might be required at the mouth of the Gulf should be located on the Arabian rather than on the Persian side. It would appear, however, from the Admiralty letter of the 1st May last, copy of which has been communicated to this Office, that their Lordships have since modified their opinion on the strategic question; and in these circumstances there appears to the Marquess of Crewe to be a strong case for adhering to the Little Quoin site, which is not only more suitable on technical grounds, as explained in the Government of India's telegram of the 26th April, but has the further advantage over Musandim that, not being Muscat territory, its selection will involve no risk of difficulties with His Highness the Sultan,

or with the French Government in connection with the Anglo-French Declaration of 1862.

As regards the need for an early decision on this point, reference is invited to the Viceroy's telegram of the 7th instant, copy of which is enclosed herewith for your information, showing that the lighthouse on Tamb Island will be completed during the present month, and that work on the second lighthouse is about to commence. In all the circumstances Lord Crewe would propose, subject to the concurrence of the Secretary of State for Foreign Affairs, to inform the Government of India by telegraph without further delay that His Majesty's Government have definitely decided to adhere to the Little Quoin site, and that work may proceed accordingly.

A copy of this letter is being communicated to the Admiralty.

I am, &c.

LIONEL ABRAHAMS.

Enclosure in No. 170.

Government of India to the Marquess of Crewe.

(Telegraphic.) *May 7, 1913.*

PLEASE see our telegram of 26th April: Lighthouse at Little Quoin.

Following telegram received from Cox:—

"Messrs. Chance's lighthouse mechanic arrived Tamb 22nd April. Work there will be finished before end of May. I presume that his services can be retained for work now commencing on Quoin."

Do you agree? As regards commencement of operations on Little Quoin pending settlement of site, please see Cox's telegram No. 415 of 8th March, copy forwarded with Foreign Secretary's letter of 27th March.

[22290] No. 171.

Lieutenant-Colonel Sir P. Cox to Viceroy of India.—(Communicated to Foreign Office, May 15.)

(Telegraphic.) *Bushire, May 15, 1913.*

MY telegram of 13th May.

Further report received from political agent at Bahrein, dated 12th May, indicates that *coup* was effected by the co-operation of adherents inside Hofuf with Bin Saud. Mutessarif of Hasa and the garrison have arrived at Ojair, and Turkish officials at Ojair and Katif have accepted the situation, and left for Basra viâ Bahrein. Bin Saud is now collecting dhows for deportation of Turkish garrison.

(Addressed to India; sent to Foreign Office and Basra.)

[22523] No. 172.

Sir Edward Grey to Sir G. Lowther.

(No. 152.)

Sir, *Foreign Office, May 15, 1913.*

THE Turkish Ambassador gave to me and Sir A. Nicolson to-day the following additional *aide-mémoire* as to British officials for Asia Minor:—

[See No. 187.]

We said that we were very willing to give any assistance that we could to Turkey, but, as some of the districts in question were actually on the Russian frontier, we thought it well to disarm Russian suspicion by telling the Russian Government what we were doing. It would also be necessary for Turkey to humour the suspicion and jealousy that might be aroused amongst other Powers who had interests in Asia Minor.

The Ambassador replied that this administration under foreign officers would be a new creation.

ALLY WITHOUT PERMISSION OF THE

Sir Arthur Nicolson and I observed that, admitting that this was so, it was quite likely that France and Germany would claim to have some share in it; and we did not wish, while giving help to Turkey, to raise difficulties for her with other Powers.

The Ambassador seemed quite alive to this point, and, with regard to Russia, acquiesced without demur in the opinion that we should give her information.

I am, &c.

E. GREY.

[22483] No. 173.

Minute by Mr. Malkin respecting the Navigation of the Mesopotamian Rivers.

I UNDERSTAND from Mr. Parker that Sir A. Hirtzel considers it essential to obtain a legal opinion as to whether His Majesty's Government or Messrs. Lynch are the real concessionnaires for navigation on these rivers, in particular the Tigris, *i.e.*, whether Messrs. Lynch's service of steamers is carried on under a concession granted to them by the Turkish Government or under rights held by His Majesty's Government, and transferred or leased to Messrs. Lynch by them.

It would have been preferable to have obtained the opinion of the Law Officers, but in view of the enormous mass of papers which they would have to consider in order to form an opinion, and of the existing parliamentary and legal vacation, it appears that it would be impossible to consult them in time, as the matter is rather urgent, so I have been asked to give my opinion for what it is worth.

The answer to the question put by Sir A. Hirtzel must depend on the instrument under which these rights of navigation are held. This point has been the subject of prolonged controversy with the Porte, and cannot be said to have been by any means settled. It is dealt with in an exhaustive Library memorandum (Confidential, 10207) which has recently been prepared, and the references in this minute are to that document.

It appears to me that there are three instruments or arrangements which may be pointed to as the foundation for the rights at present exercised by Messrs. Lynch, and that they have all been relied on at various stages of the controversy:

(*a.*) The arrangement of 1846 (pp. 15–19).

(*b.*) The vizierial letter of 1861 (pp. 25–27) considered as equivalent to a grant of a special permission by the Porte, and although reciting the firmans of 1834 and 1841 and the arrangement of 1846, being in effect a new and independent affair.

(*c.*) The firmans of 1834 and 1841 (pp. 8 and 10–11) regarded as being confirmed, in the case of the particular rights enjoyed by Messrs. Lynch, by the vizierial letter of 1861.

The question which of these three is really the foundation of the rights in question is one of the greatest difficulty. If the conclusions at which I have arrived are sound, it is unnecessary, in this connection, to attempt to decide it, and it will suffice to consider the three alternatives in order.

It should be said in passing, that whatever the original foundation of the rights in question, they can now be defended to a large extent on the ground that they have been freely exercised for about half a century, but I do not think that this much affects the question now under discussion.

(*a.*) If these rights are derived from the arrangement of 1846, it is in my opinion clear that Messrs. Lynch are the holders of them and not His Majesty's Government. Under the arrangement of 1846 (according to the interpretation put upon it by His Majesty's Government) British vessels were free to navigate the Mesopotamian rivers, and Messrs. Lynch's rights were therefore not derived from His Majesty's Government, but were based upon the fact that their ships were British and as such entitled to trade upon the rivers in question. Any other British ships were entitled to the same privilege, but they would have obtained it, not under a particular concession granted to His Majesty's Government and by them transferred to the individuals concerned, but in virtue of an arrangement under which the privilege was open to all British subjects equally.

(*b.*) The vizierial letter of 1861 (Appendix, p. 11) is not in form a grant of a privilege to Messrs. Lynch, but it is possible to regard it as such, and it has in fact been so regarded, and in that event, it being considered as a new and independent grant of rights, it seems clear that the rights conferred by it are held by Messrs. Lynch from

the Porte, His Majesty's Government being only concerned in so far as Sir H. Bulwer was instrumental in assisting Messrs. Lynch to obtain what they wanted. In this connection it may be pointed out that the Ottoman Minister for Foreign Affairs spoke of applying for a firman of concession (p. 25) and that Her Majesty's Government, while not admitting that British rights under the arrangement of 1846 were doubtful, told Sir H. Bulwer that he was at liberty "to apply to the Porte to grant some further security for Messrs. Lynch" (p. 26). These two facts seem to indicate that the grant of 1861, whatever it was, was regarded by both sides as being a grant by the Porte to Messrs. Lynch.

(*c.*) The third alternative is to regard Messrs. Lynch's rights as derived from the firmans of 1834 and 1841, confirmed by the vizierial letter of 1861. It is I think, clear that these firmans (Appendix, pp. 1 and 2) were originally granted in favour of His Majesty's Government and there may thus be on the face of it some ground for holding that Messrs. Lynch hold their rights from His Majesty's Government, being somewhat in the position of sub-tenants. On the whole, however, I do not think that this contention can be sustained.

From a strictly legal point of view, it seems clear that if Messrs. Lynch hold their rights from His Majesty's Government, to whom they were originally granted by the Porte, this must be in virtue of a grant from His Majesty's Government to Messrs. Lynch. The situation could not be arrived at in consequence of an arrangement made between the Porte and Messrs. Lynch. Now there is, so far as I am aware, no document in existence under which His Majesty's Government granted or sub-leased their rights to Messrs. Lynch; and the narrative given on pp. 24–27 shows in my opinion conclusively that nothing was further from the minds of Her Majesty's Government in 1860 and 1861 than to transfer their rights under the firmans of 1834 and 1841 to Messrs. Lynch. These firmans were not mentioned at all by Her Majesty's Government at the time; what they had in mind throughout was the arrangement of 1846; the firmans are mentioned for the first time in the vizierial letter itself, and even then Sir H. Bulwer, in sending the letter home, speaks of it as "confirmatory of the arrangement of 1846" (p. 26). The probable explanation is that His Majesty's Government had not these firmans in mind at all, but in any case I do not think there is anything which can be pointed to as amounting, on the facts, to a transfer or sub-lease of their rights under them to Messrs. Lynch.

From a strictly technical point of view, this would appear to dispose of the point, but the case is a very unusual one, and it is easy to attach too much weight to technicalities. It may be argued that the Porte has always treated Messrs. Lynch's rights as derived from the firmans of 1834 and 1841, and that His Majesty's Government have to a large extent accepted that view. I do not think however that, even accepting these facts, they establish that Messrs. Lynch's rights are held from or through His Majesty's Government. I think that the most that could be said is that His Majesty's Government have tacitly accepted an arrangement under which the rights flowing from these firmans were exercised by Messrs. Lynch (though the existence of the "Comet" shows that His Majesty's Government continue to some extent to maintain these rights) not in virtue of a grant from His Majesty's Government, but because His Majesty's Government more or less accepted an arrangement by which their rights were transferred to Messrs. Lynch by the Porte.

In any case, I have not found anything to indicate that His Majesty's Government has ever suggested, or contended, that Messrs. Lynch hold their rights from or through them, while, on the other side, there is the explicit statement, made in 1884 both to Musurus Pasha and in Parliament, that "Her Majesty's Government contend that the Vizierial letter of 1861, having been issued for the very purpose of enabling the company to put their two steamers on the Tigris and Euphrates, was intended to confer, and did confer, that privilege on them" (p. 69), a clear assertion that Messrs. Lynch derive their rights from the Porte and not from His Majesty's Government.

On the whole, therefore, I am of opinion that whatever the source of Messrs. Lynch's rights, they are held from the Porte, and not from, or through, His Majesty's Government. The question to what extent His Majesty's Government's rights under the firmans of 1834 and 1841 are still in existence, as distinct from those now exercised by Messrs. Lynch, is one which it does not appear necessary to consider at this moment.

H. W. M.

May 15, 1913.

[BEING WITHOUT PERMISSION OF THE CROWN]

Mr. Malkin has asked me to read his preceding memorandum and opinion and to add anything that occurs to me thereon. As it appears to be considered that immediate action is necessary it is of course quite clear that time does not suffice for consulting the Law Officers who, in order to form an independent opinion when they returned from their vacation, would have to go through a huge mass of papers and to master the printed memorandum which is annexed. In order to form an independent opinion I should have to do the same, which would cause very considerable delay, besides making it necessary for me to suspend all my other work for some time. Mr. Malkin is familiar with the case already, and has devoted great care to the opinion which he has given. On reading that opinion and considering the arguments set forth by Mr. Malkin, I am convinced that if the facts, and the effect of those facts, has been correctly stated (as I do not for a moment question that it has been), the result is that Messrs. Lynch hold from the Porte direct and not from, or through, His Majesty's Government.

It might perhaps be worth while to suggest to the India Office that they should consult their own able legal adviser, Mr. Sale, independently on the matter, or at any rate ask him whether he concurs generally with Mr. Malkin's opinion before action is taken upon it. I do not think that this is necessary so far as this Office is concerned, and merely suggest it as Sir A. Hirtzel appears to be rather anxious as to the legal position and might be glad to have our view confirmed by the Legal Adviser of his own Secretary of State. If Mr. Sale dissented I think we should have to go to the Law Officers however, and this would cause considerable delay.

W. R. D.

May 15, 1913.

[22499] No. 174.

Board of Trade to Foreign Office.—(*Received May* 16.)

Sir, *Board of Trade, May* 16, 1913.

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 9th May, transmitting copy of a memorandum communicated by Hakki Pasha on the 1st May, setting forth certain proposals to which the Ottoman Government desire to obtain the assent of His Majesty's Government, and to offer the following observations thereon:—

As regards the increase of the Turkish customs duties from 11 per cent. to 15 per cent. *ad valorem*, the Board recognise that there is force in the considerations urged by Hakki Pasha to which you refer, and they are disposed to concur in Sir E. Grey's opinion that the proposed limitation of the period during which the increased duties are to be in force might be waived. They agree, further, that, should that course be adopted, an effort should be made to secure fifty years as a minimum period for the duration of the Shatt-el-Arab Conservancy.

As regards the proposed conversion of the Turkish customs tariff from an *ad valorem* to a specific basis, it appears from enquiries which the Board have caused to be made that such a change would not be regarded altogether favourably by British traders, but the Board are nevertheless of opinion that, should the proposed change meet with the approval of the other Powers, it would be difficult for His Majesty's Government to resist it in principle. I am to suggest, however, for Sir E. Grey's consideration, that it should be stipulated that the details of any such tariff must be previously agreed between the two countries, and, further, that no such tariff should be put into operation without a reasonable period of notice.

The Board concur in the tenor of the reply which Sir E. Grey proposes to address to Hakki Pasha on the subject of the tenetu tax.

This Department is not directly concerned with the remaining matters to which reference is made in the memorandum—the suppression of foreign post offices in Turkey, and the abrogation of the judicial provisions of the Capitulations; but with regard to the latter, I am to say that the Board concur in Sir E. Grey's proposal to inform Hakki Pasha that His Majesty's Government are prepared to undertake the examination of the whole question with a view to determining in concert with other Powers whether and to what extent a modification of the existing régime is practicable.

I am, however, to suggest that care should be taken not to include within the

scope of any such negotiations the provisions of the Capitulations under which His Majesty's Government have a right to be consulted as to any increase in the Turkish customs duties.

I am, &c.
H. LLEWELLYN SMITH.

[22408] No. 175.

Sir G. Lowther to Sir Edward Grey.—(*Received May* 16.)

(No. 232.)
(Telegraphic.) *Constantinople, May* 15, 1913.

YOUR despatch No. 140 of 9th May.

The existence of foreign post-offices is based on unreliability of the Turkish post, and under the present conditions there can be no question of their suppression, even in principle. As regards the fiscal aspect of the question, the proposal that they should use Ottoman stamps is feasible, but as working expenses would have to be charged against the Turkish postal administration, the Turks would be presumably entitled to ask questions as to expenditure. This is obviously undesirable. The tendency, further, would be to internationalise all the foreign post-offices, a result which some would find objectionable.

There is good reason to suppose that the Turks exaggerate the profits of the foreign post-offices, as at present transit rates are paid by the home offices, whereas under the proposed scheme they would be paid by the Turks.

The alternative to the use of Ottoman stamps would be to keep the existing offices precisely as they are, but to hand over the profits to the Turks. This would be preferable to the Turkish proposal, though it would do away with the existing incentive to economy in the foreign post-offices, and might be inconvenient in case of deficit.

As the question is a very important one, and foreign Governments have always acted together in the matter, [of] unilateral [group omitted] might be resented by other Governments.

[22475] No. 176.

Sir G. Lowther to Sir Edward Grey.—(*Received May* 16.)

(No. 233.)
(Telegraphic.) R. *Constantinople, May* 15, 1913.

YOUR despatch No. 143 of 9th May.

Points 1 and 2. In theory a limited period for increase of customs duty may be good, but in practice concessions cannot well be withdrawn after expiration of time limit.

The assessment of 15 per cent. duty by means of a specific tariff would be preferable to the present system, and in framing the tariff provision should be made for periodical revision and that no change in tariff should take place except with consent of and in consultation with His Majesty's Government.

Point 3. Embassy have sent in their reserves attached to application of tenetu.

Point 4. I have telegraphed in my immediately preceding telegram of to-day.

Point 5. As regards Turkish request that His Majesty's Government should agree to study the question of abolition of judicial side of Capitulations, it is to be remembered that for over five [group omitted: ? years] capital has been under martial law administered by an irresponsible body which had not even a code of procedure and which has exercised the right to arrest and try foreigners. Common prudence would thus seem to dictate our refusal to undertake to study the point in question until Turkey advances to the point of constitutionalism enabling her to govern without such ultra-legal methods.

As regards Turkey's *amour-propre* in the matter, it is believed here that demand for undertaking to study the matter is made by Committee party with the object of appearing to score a political success over their opponents, and to that extent to justify the *coup d'Etat* of 23rd January last. I would submit advisability, in replying, to point out that it is difficult for His Majesty's Government to undertake to study the matter until Turkey has actually carried out concrete judicial reforms and until they have been in application long enough to test them. In light of last five years' experience it

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would seem very risky to open the door to discussion on Capitulations until the new order of things attains greater consistency and stability.

In other countries, *e.g.*, Roumania and Bulgaria, Capitulations have ceased rather less by automatic process than as the result of lengthy study and negotiation.

[21415] No. 177.

Foreign Office to Mr. Greenway.

Sir, *Foreign Office, May* 16, 1913.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 8th instant, relative to the alleged pollution of the waters of the Shatt-el-Arab by your company's works on Abadan Island.

I am to inform you in reply that Sir E. Grey has caused His Majesty's consul at Mohammerah to furnish a report on the subject, and I am to state that he will return no reply to the note of the Turkish Ambassador till that report, as well as the one which your company's agents have been asked to submit, has been received and considered. These reports will show whether the appointment of a commission to consider the matter is necessary, and Tewfik Pasha will be answered accordingly.

As regards the last paragraph of your letter I am to state that His Majesty's Government recognise the whole waterway of the Shatt-el-Arab as Turkish, and that, even if this were not so, the Turkish Government would have the right to complain of the nuisance caused by the pollution of the water (if it were proved that such a nuisance existed) in so far as it affected the welfare of their subjects.

I am to add, for your confidential information, that in view of the fact that the negotiations between His Majesty's and the Ottoman Governments have now reached an advanced stage, Sir E. Grey is anxious to meet the views of the latter in such matters so far as he properly can.

I am, &c.
LOUIS MALLET.

[22533] No. 178.

Viscount Kitchener to Sir Edward Grey.—(Received May 17.)

(No. 45.)
Sir, *Cairo, May* 11, 1913.

I HAVE the honour to acknowledge the receipt of your despatch No. 72 of the 2nd instant, stating that the French Government may possibly apply for a concession to construct a railway from Rayak, in Syria, to El Arish, on the Egyptian frontier, and asking for my views on the desirability of linking up this line, if made, with the Egyptian railway system.

A perusal of the previous correspondence on the subject shows me that my predecessors did not think the scheme pressing from an economic point of view, and that strategically they considered it fraught with considerable danger for the military security of this country. I see no reason for thinking that anything has occurred lately to modify these views, with which I am in entire agreement.

The volume of trade with Syria is not very great, and is adequately and cheaply carried on by sea between Port Said and Alexandria and the Syrian ports. It is unlikely that the construction of a railway would tend to increase it to any appreciable extent, and, in view of the desert country beyond the Suez Canal, which extends for some distance into southern Palestine, the sea route appears to offer a more natural direct channel for such commerce as there is between the two countries. The strategic objections are so self-evident that I need not touch on them here, nor do I think that they will tend to diminish now that Turkey has ceased to be an European, and become an exclusively Asiatic Power. I have already touched upon this point in my despatch No. 21 of the 15th March.

The present trend of events in Syria seems to point either to decentralisation, which would certainly not make for a strong or stable Government, or to direct control by some foreign Power other than Great Britain. Moreover, it is highly probable that the Central Government will itself come under the influence of one or other of the Great Powers. It therefore appears likely that foreign influence will in the near future supersede Turkish in the districts between the Egyptian frontier and the Euphrates.

This state of things must necessarily produce a very considerable effect on this country.

The Syrians, although of a different race and character to the Egyptians, nevertheless, owing to the proximity of the two countries and a common language, settle in Egypt in large numbers, and, owing to their greater mental activity, are able to fill many posts in the Government service as clerks, &c., and even occasionally rise to be Ministers. In the circumstances, the indirect influence of Syria on Egypt has already to be reckoned with, and any increase of this influence, which would certainly follow on the opening of through railway communication, would, in my opinion, act as a disturbing factor in the Government of this country.

I have, &c.
KITCHENER.

[22579] No. 179.

Sir G. Lowther to Sir Edward Grey.—(Received May 17.)

(No. 407.)
Sir, *Constantinople, May* 13, 1913.

I HAVE the honour to acknowledge the receipt of your despatch No. 113 of the 21st ultimo transmitting the copy of a letter received by your department from the Anglo-Persian Oil Company in reply to one which you caused to be addressed to that company on the 31st March, copy of which was also found enclosed.

I had the occasion of seeing the Grand Vizier on the 5th instant, when I again referred to the subject of the Mesopotamia oilfields. I drew his attention specially to article 22 of the Bagdad Railway convention, which I read to him, and pointed out that this article gave the railway company no privileges, no monopolies in the matter of mines, and that others were consequently free to prospect for oil, or, in fact, for any kind of minerals within the 20-kilom. zone of the line. His Highness referred to the Turkish text of the article, and, after having read it, explained that the object of the article in question was to avoid the railway company having privileges or monopolies *vis-à-vis* the Turkish Government within the 20-kilom. zone, and that such conditions were always inserted in railway conventions for military reasons, but it none the less gave the company certain privileges as regards competitors. To my further contention that the Germans had so far discovered no sources of oil and had not even applied for "permis de recherches" for prospecting in the oil districts, Mahmoud Shevket Pasha stated that oil springs had been discovered in those regions many years ago, and that the arrangement made between the Anatolian Railway Company and the Civil list in 1904 having conferred upon the company the right to work those sources the Germans now naturally claimed that the privileges now acquired by them under this agreement during the former régime of Government must be confirmed by the new.

Being unable to follow his Highness in this line of argument, and seeing that a continuation of the discussion of the subject was useless, as it was quite apparent his Highness did not appear to have gone into the matter seriously, I remarked I was adverse to taking up so much of his time and would be glad to know whether there was any official thoroughly conversant with the whole question, as it would, perhaps, be better to discuss the various points with him. Mahmoud Shevket Pasha said that the matter had now become a purely political one, and therefore he was the only person competent to deal with it. Anxious, if possible, to obtain a confirmation of his former statement to me with regard to British participation in the combine he had advocated, I reminded his Highness of his declaration that, in the event of the amalgamation of the British and German groups, he would be prepared to secure a preponderating share for British capital in the new combine; to this he remarked that he had not meant a preponderating share of capital, but that there should be a British majority on the Board of Administration, and, on my stating that I very much doubted whether such an arrangement would be acceptable, his Highness said that, in any case, he was quite prepared to listen to proposals which might be put forward, but I informed him that this was all premature, as His Majesty's Government were not disposed to favour the idea of amalgamation.

The impression left by this conversation with the Grand Vizier is that he has not studied the question in detail and is, moreover, not disposed to enter into a discussion regarding the validity of German rights supposed to be secured by the agreement of 1904 and the privileges which they may have under article 22 of the convention. Mahmoud Shefket Pasha has again shifted his ground, and now has modified his first

statement to me with regard to British participation in the Anglo-German combine he advocated, and in view of his last statement, to the effect that the matter has now become a purely political one, I fear we have for the moment come to a deadlock. Mr. Stock informs me that he has learnt from confidential sources that the Ministry of Mines has been instructed by the Grand Vizier to draw up a draft contract showing the conditions on which the Turkish Government would be prepared to treat for the concession of the working of the oilfields in the Mosul and Bagdad vilayets.

It would appear that the proposals submitted to the Ministry of Mines by Mr. Nichols are being taken as a basis for framing the *projet de contrat*, and that the principal conditions which will be laid down are:—

1. That no ground rent will be charged. (Under the mining law an annual tax of 10 piastres per djerib (10,000 dounums or about one hectare) is levied.)

2. Payment of a royalty of 15 per cent. (It is not clear whether this is a royalty on gross or net output or on net receipts.)

3. That the annual amount of royalty shall not be less than £T. 100,000. (It is supposed that this amount is to be mentioned in order that the concessionnaires should be compelled to work and develop all the oilfields acquired under the concession.)

4. A time limit of four years will be given, within which the concessionnaires will have to conduct prospecting operations, establish the necessary refining plant, as well as the laying of pipe lines. No royalty will be charged during this period.

Great secrecy is being observed by the Minister, who, it appears, in answer to the enquiries of some of the officials of his department as to the names of the persons with whom the Government was about to treat, stated that he was not at liberty to divulge any names, but on being pressed admitted that negotiations with an Anglo-German group were contemplated.

It would therefore seem that the Grand Vizier intends taking some definite course in the matter; whether he intends treating with the German National Bank group, or is sanguine enough to believe that his suggestion for the fusion of the German-D'Arcy groups will be acted upon, and that he is preparing for negotiations with this new Anglo-German combine, remains to be seen.

I have, &c.
GERARD LOWTHER.

[22580] No. 180.

Sir G. Lowther to Sir Edward Grey.—(Received May 17.)

(No. 168.)
Sir, *Constantinople, May* 13, 1913.

WITH reference to my despatch No. 153 of the 26th April last, I have the honour to forward herewith a despatch from His Majesty's consul general at Beirout extending his report regarding the outbreak among the Lebanon gendarmerie at Baabda on the 22nd April.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 180.

Consul-General Cumberbatch to Sir G. Lowther.

(No. 35.)
Sir, *Beirout, April* 25, 1913.

WITH reference to my telegram No. 15 of yesterday I have the honour to report as follows:—

On the 22nd instant some of the men of the first battalion of the Lebanon gendarmerie employed on special service in the Batroun kaza deserted their posts and marched away towards Baabda, the winter seat of Government, collecting others on their way. By the time they got down to the coast and the railroad at Jounieh they mustered about 150 strong and publicly announced it as their intention to proceed to Baabda to demonstrate in favour of a betterment of their lot.

The Governor hearing of their approach despatched a captain with thirty or forty

men to try and impede their progress, but this officer had to return alone as his men unhesitatingly went over to the side of the demonstrators.

Chantes Pasha next sent the vice-president and a Druse member of the Administrative Council to try and induce the men to return to their posts but to no avail.

On arriving at the bottom of the Baabda hill the men sounded the bugle call for their military band which, with the few remaining gendarmes at Baabda, joined them without hesitation and apparently without anyone attempting to prevent them from doing so.

On arriving in the square of the Government house, preceded by the band and with bayonets fixed, they drew up in regular order and the band played the Turkish march.

The colonel and several officers who tried to address them were not allowed to speak and they insisted upon the Governor coming down to the square.

On his arrival Ohannes Pasha was presented with their demands in writing and was asked to comply with them immediately. Though naturally alarmed at the predicament he suddenly found himself in, especially as most of the men were intoxicated with drink, Ohannes Pasha kept cool and replied through an interpreter to the effect that he was doing what he could to better their lot and was ready to take their complaints into favourable consideration, but their mode of procedure was wrong and they should delegate a few of their number to discuss the matter with him.

They excitedly refused to do this and bawled out that he must acquiesce at once and, on his showing some hesitation, they crowded up the stairs into the Government house vowing vengeance on the members of the Administrative Council for advising the Governor to send for Ottoman troops to oppose them.

They cut the telegraph wires to prevent communication with Beirout and Damascus and they broke all the windows of the main corridor of the building.

The Governor returned to his private room and the mutineers rushed to the next room which is the Council chamber, there they smashed everything they could get hold of with loudly expressed reproaches against all the members of the Council for their persistent refusal to give consideration to their long felt wants.

In the meantime Ohannes Pasha held a hurriedly summoned meeting of the councillors in his room, and it was decided to cede to all the demands of the men which were:—

1. An increase of pay.
2. The supply of two uniforms annually.
3. The men to be only subject to the jurisdiction of the military Tribunals.
4. Travelling expenses to be reimbursed.
5. Retention for at least six months in one locality with a fortnight's furlough on each transfer.
6. Promotion according to merit, and opening of higher ranks to men.
7. Pension for men wounded in service and for widows of men killed.
8. Amnesty for those who are responsible for the demonstration.

The *procès-verbal* ("mazbata") of the Council, duly countersigned by the Governor, having been read out aloud to the men they gave cheers for the Sultan and withdrew to return to their posts in the north the next day after receiving their pay for March at the increased rate.

The first idea of the Governor was to call in a battalion of Ottoman troops to institute a special martial Court, presided over by a superior officer of the Turkish Army, to investigate the whole matter including the conduct of the officers and to punish the ringleaders.

On mature consideration, however, and after consultation with my colleagues of France and Russia and myself, Ohannes Pasha judged advisable to try and avoid the presence of Ottoman troops which might lead to very serious complications should they have to resort to force and he will, for the present, confine himself to the holding of an enquiry by an officer of the Turkish Army, as he cannot rely upon the impartiality of any officer of the Lebanon Militia.

In the meantime the sympathy of the public is decidedly on the side of the men who, it now transpires, have for a long time past been sending petitions to the Government praying for a betterment of their lot, and whereas of recent years there have been increases made in some departments, especially in the salaries of the councillors themselves in 1908, the Militia has been neglected.

The members of the Administrative Council consider themselves insulted and have

been trying to push the Governor to extreme measures to punish the men severely in vindication of what they consider the injured honour and prestige of the Government, but they do not meet with much outside sympathy owing to a general feeling that they are not entirely undeserving of the very unceremonious and brusque manner in which they have been treated.

As stated in my telegram this incident proves more than anything the necessity of a thorough reorganisation of the gendarmerie by a foreign officer as provided for in the protocol of the present Governor's appointment, and Ohannes Pasha has urged his nomination at once.

I have, &c.
H. A. CUMBERBATCH.

[22581] No. 181.

Sir G. Lowther to Sir Edward Grey.—(Received May 17.)

(No. 409.)
Sir, *Constantinople, May 13, 1913.*

WITH reference to my despatch No. 357 of the 28th of last month I have the honour to forward herewith a despatch from His Majesty's consul-general at Beirout, reporting on the continuation of the reform campaign in Syria.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 181.

Consul-General Cumberbatch to Sir G. Lowther.

(No. 36.)
Sir, *Beirout, April 28, 1913.*

WITH reference to my despatch of the 17th April, on the subject of the incidents connected with the "reform" movement, I have the honour to report that, though the excitement caused by these events has calmed down, the "reformers" have not ceased working for their main object.

They procured over 1,300 signatures to a protest to the Grand Vizier against the action of the vali in closing their club and in arresting the members of their Committee, and, to further show their discontent, the inhabitants purposely kept away from the deferred ceremony of reading the firman of Hazim Bey's appointment as vali, and from his Excellency's official reception on the Sultan's Accession Day anniversary yesterday.

The Reform Committee has been greatly encouraged by messages from Cairo and Paris, where special "Reform Committees" seem to have sprung into existence, and by expressions of sympathy and support from large towns like Damascus and Basra.

In the meantime the only move on the part of the Government towards according something that they hope will pass as a reform, is the publication of a telegram from the Minister of the Interior to the vali dated the 19th April (of which I enclose a translation*), by which the local practice of tolerating the use of the Arabic language in the courts is confirmed, and the drawing up of decisions in that language authorised for the future. Also the teaching of Arabic in the Government schools, where, however, Turkish remains obligatory.

On the other hand the Reform party, having had time to judge of the inadequacy of the new law on the vilayets, of which the Government makes so much, has decided to send delegates to Cairo and Paris, whence, after conferring with the local Committees in those places, they will very likely proceed to other European capitals to plead their cause, in the hopes of obtaining foreign intervention at Constantinople for the introduction of the scheme drawn up at Beirout, and submitted to the Ottoman Government, as reported in my despatch No. 26 of the 12th March.

The first two delegates, Ahmed Moukhtar Beyhum and Selim Tabrab, left for Cairo yesterday, and four or five may follow shortly, a sum of over 1,000*l.* having been subscribed by the public for their travelling expenses.

The phase of the whole proceedings which strikes one most forcibly is the unity of

* Not enclosed.

purpose and the solidarity of action that seem to gain strength between the Arab Moslems and the Christians, as time goes by, notwithstanding the many subtle efforts made to divide them.

I have, &c.
H. A. CUMBERBATCH.

[22582] No. 182.

Sir G. Lowther to Sir Edward Grey.—(Received May 17.)

(No. 410. Confidential.)
Sir, *Constantinople, May 12, 1913.*

I HAVE the honour to transmit copy of a despatch No. 23 of the 1st May from His Majesty's vice-consul at Adana reporting on Armenian affairs, the visit to the Armenian Catholicos of Sis, paid by the commander of the German cruiser "Strassburg," and the language stated to have been held by the German officer to the Armenian prelate in question.

It would appear that in Armenian circles the fact that the commander spoke in the name of all the Great Powers is held to denote that Germany is beginning to exercise a sort of protectorate over Armenians, or, at least, to be taking up a distinct attitude in the matter, thus adopting the rôle assumed by England at the time of the Cyprus Convention.

Most Armenians have a profound distrust of Germany's interference on their behalf, in view of the fact that shortly after the massacres of 1895-6 the German Emperor visited the ex-Sultan and obtained from him the concession for the Bagdad Railway.

In a recent reported interview the Armenian Patriarch is stated to have declared that while the Armenians wish to remain good Ottomans, his Beatitude has no confidence in any reforms that are not carried out under "the control of foreign specialists" for the gendarmerie, &c.

The "Tanin," in commenting on this interview, admits the failure of the different Cabinets since the change of régime in 1908 to carry out the promised reforms in Armenia, states that the Government has the intention of employing English specialists for the gendarmerie and administration of justice in the Eastern provinces, but declares that "the dignity and independence of the country do not allow of the establishment of the control of these specialists."

It would thus seem that the Armenian Patriarch and the Government join issue on the matter of control by the foreign or English specialists, and past experience in Macedonia would go to prove that, unless the foreign specialists are given executive powers, *i.e.*, control, any reforms to be carried out with their assistance are certain to be more palliatives, if not entirely abortive.

As regards the employment of English officials in Eastern Anatolia I should, perhaps, add that the belief exists in native circles that the idea has been approved, if not prompted, by Germany with a view to putting England in antagonism to Russia in regions where the latter has special interests. The "Tanin" has recently reported that part of Hakki Pasha's mission in London is to endeavour to revive British obligations arising out of the Cyprus Convention to defend Turkey's Eastern Asiatic possessions against Russian aggression.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 182.

Vice-Consul Mathews to Sir G. Lowther.

(No. 23.)
Sir, *Adana, May 1, 1913.*

WITH reference to my despatch No. 14 of the 29th March, reporting, among other matters, that dissensions had occurred in the Armenian community, I have the honour to report to your Excellency that an agreement has now been reached, according to which the Tashnakist committee withdraws its opposition to the bishop on the understanding that elections for a new Church Council will shortly be held. I have been assured by trustworthy Armenians in touch with the Armenian committees that

the present policy of these committees is to maintain tranquillity. I am convinced that this is true as regards the town of Adana, and I am disposed to think that it is true of other Armenian centres in the district, although vague rumours have circulated during the last few weeks that some movement was being prepared by the revolutionaries at Hajin and Deurtyol. A report has been current that a Greek steamer arrived off Yimurtalik early in April with several hundred Armenian revolutionaries as passengers, and arms, ammunition, and bombs as cargo. An American missionary, who returned here recently from Deurtyol confirms the existence of this report, adding, that as a consequence the Moslems of the Deurtyol district held a meeting at Payas to consider what action they should take. No ship answering to the above description appears to have arrived, however, and the report may have had no other foundation than malice.

The commander of the German cruiser "Strassburg," who came up to Adana from Mersina on the 20th instant, paid a visit to the Catholicos of Sis, to whom he is reported to have stated that the Great Powers were united in the desire to prevent regrettable occurrences in Asia Minor, and that he would do anything in his power to protect the Christians. Local Moslems and Armenians are asking themselves what this visit signifies, German interest in the Armenians in the past having been worse than non-existent.

I have heard the opinion strongly expressed that the Armenian revolutionary committees would not hesitate to provoke serious disturbances, if they thought that by such means the occupation of this district by a foreign Power could be brought about (see my despatch No. 4 of the 13th January). With an ignorant and fanatical population and Committee of Union and Progress officials, who already see "a little Armenian Tsarlik" in the reforms proposed for the six vilayets, the provocation of massacres would probably not be difficult. As indicated in my despatch No. 16 of the 16th ultimo, responsible Moslems are alive to the consequences which an anti-Armenian outbreak might entail.

I have, &c.
W. D. W. MATTHEWS.

[22583] No. 183.

Sir G. Lowther to Sir Edward Grey.—(Received May 17.)

(No. 411.)
Sir, *Constantinople, May 12, 1913.*

I HAVE the honour to report that according to a despatch received by His Majesty's consul at Aleppo, the dragoman in charge at Diarbekir in an account of an interview he has had with an envoy of the Beder Khan Kurdish chiefs, states that Abdurrezak Bey, referred to in my despatches Nos. 299 and 375 has, with the assistance of the Russians, prepared a revolt of the Kurds between Van, Bitlis, and Mosul, to take place when the snow melts, but that the Turkish authorities are endeavouring to induce the Kurds to return to their allegiance by undertaking to procure an Imperial amnesty for their recent treasonable practices, and by allowing them every licence to carry on their depredations against the local Christians.

These accounts of the amount of support which the Russians are alleged to be giving to the Kurds, are also current in the capital and would seem exaggerated, if not unfounded. During the last few years, when any local disturbance or uprising, the reflex of the policy of the Central Government, occurs in the outlying provinces, it has been the invariable practice to attribute it to foreign intrigue. The Albanian uprisings brought about by the policy of "thorough" applied to them were set down to Austrian intrigue. The revolt in Hauran and Yemen were similarly given out as the result of English machinations among the Arabs, and it would seem not unlikely that the reports to the effect that the Russian Government is supplying the Kurds with money, arms, ammunition, and even officers, are inventions or distortions of fact designed to distract attentions from the real causes of the unrest.

I have, &c.
GERARD LOWTHER.

[22584] No. 184.

Sir G. Lowther to Sir Edward Grey.—(Received May 17.)

(No. 412.)
Sir, *Constantinople, May 12, 1913.*

I HAVE the honour to transmit herewith copy of a despatch No. 31 of the 30th April from His Majesty's consul at Erzeroum, embodying information as to the situation in Bitlis.

The report that the Kurds have made overtures to the Armenians to "join them in their stand against the Government" is confirmed from other sources. It would appear that the Armenians, whose efforts to secure reforms have not been of an anti-Governmental character, have hesitated to throw in their lot with the Kurds, partly owing to the fear that the authorities might, as heretofore, arouse the fanaticism of the Kurds and direct it against the Armenians.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 184.

Consul Monahan to Sir G. Lowther.

(No. 31.)
Sir, *Erzeroum, April 30, 1913.*

WITH reference to my despatch No. 27 of the 22nd instant, I have the honour to transmit herewith the following interesting extract from a letter received from the Rev. Mr. Knapp at Bitlis:—

"As a result of the murder case I wrote about last week, about a dozen Turks have been imprisoned, in order to induce them to give evidence, and then have been released. So far as I can find out, none have been imprisoned or punished in any way for wounding the four Armenians (two of them women). Five or six Armenians are still in prison, including the school-boy over whom the quarrel arose. Evidence is increasing that the chief actors in the murder of the Turk were also Turks.

"Now that the leading Moslems have learned the circumstances of the murder they very much deplore the subsequent demonstration; but the incident goes to show how very easy it is to make a brawl, or private feud, the pretext of a general attack of the Moslems on the Christians. It is almost certain that if the Saturday (the 12th instant) had not been a Church holiday, and the Armenians had been as usual in the markets, or if the vali had been a less experienced and energetic man, there would have been a massacre the limits of which it would be hard to determine. The worst of it is that there is no telling when an outbreak may occur, and how extensive and rapid its consequences may be. As you doubtless feel yourself, it is only the fear of impending Russian interference which restrains the elements which make for indiscriminate destruction.

"Two regiments (but only about 200 men in all) of soldiers and four mountain guns came from Mush last week on the way to Sert. The vali has taken the responsibility of retaining them here for the present. There are a number of fell among them. It seems that some 200 soldiers have died in Mush of typhoid fever the last few months.

"There seems as yet to have been no clash between Government troops and the Kurds that have been mustered by the Badr Khan tribe in the region of Sort. It is pretty well established that at least 1,000 armed Kurds have gathered under the standard of Hussein Pasha of the Badr Khan tribe. Arms and assessments are being collected from Kurdish villages, and a tax of 7 or 8 piastres per head of cattle is being collected. Government sheep-tax collectors have been driven away, and the Kurds have declared that they would not pay the tax of 4½ piastres per head, but only 1½ piastres, but even this they have not paid. The Kurds have made overtures for the Armenians to join them in their stand against the Government, and it is possible that the Armenians may decide that it would be safer to side with them than to trust the protection of a weak Government."

Contrary to what he says in the last paragraph, I understand that the disturbed districts where troops are pursuing emissaries of Bedr Khan Zadé Hussein Pasha are the districts of Redvan, Midiat, and Jezireh in the vilayet of Diarbekir, which, however,

adjoin the Sairt district of the vilayet of Bitlis. I have not yet understood who or where this Hussein Pasha of the Badr Khan family is. The Badr Khan Zadés who, as I have understood, are active in Diarbekir vilayet are Kamil and Hassan Pashas or Beys. Mr. Knapp's statement in the same paragraph, that the Kurdish autonomists are trying to get the Armenians to join them, is confirmed to some extent by a Kurdish chief of Erzeroum vilayet saying lately to Armenians in Erzeroum town that the Kurds would be glad if Armenians would join, but there seems to be no overt Kurdish movement in Erzeroum vilayet, nor any probability of Armenians ever joining Kurds in this or in Van vilayet.

(Confidential.)

The vali two days ago expressed to me the opinion, which indeed seems general and plausible, that the whole Kurdish movement is fomented by Russia. He dwelt on the fact, of which he seemed to have only lately heard, of the Kurdish frontier brigand Simko having been received with honour and decorated by the Russian authorities at Tiflis, which, according to Vice-Consul Captain Seel, occurred last summer. The vali said that the movement need cause no anxiety to the Government, as the Kurds were fighting among themselves (see my despatch No. 26 of the 16th instant). It seems difficult to imagine a Kurdish principality, though some of the Badr Khan family, which family ruled in the Bohtan district near Sairt till, I think, near 1840, are said to be enlightened, well-educated men, to whom possibly Armenians, if allowed real independence, might make apparent submission.

I have, &c.
J. H. MONAHAN.

[22587] No. 185.

Sir G. Louther to Sir Edward Grey.—(Received May 17.)

(No. 416. Confidential.)

Sir, *Constantinople, May 13, 1913.*

IN recent despatches I have had the honour to report on the regrettable state of things prevailing in the provinces inhabited by the Armenians in Eastern Asia minor.

The Armenian Patriarchate and National Assembly have, not unnaturally, been preoccupied with this state of things and finally decided to present a memorial to the Grand Vizier.

I have the honour to enclose a translation of this memorial,* the Patriarch Mgr. Archaroumis's statement as to the favourable reception accorded him by Mahmoud Shevket Pasha, and the latter's official communiqué published through the Agence ottomane.

As will be noticed the Armenian deputation, after pointing out that they felt it their duty towards the Ottoman state and towards their community to lay the state of affairs before the Government, proceeded to enumerate several of the grievances of which the Armenians have reason to complain, and especially laid stress on the dangerous frame of mind that has been engendered among the Moslems of Asia Minor by the stories put about to the effect that recent Turkish defeats in the Balkans were due to the treachery of the Christians serving with the Ottoman forces. As Christian in Asia Minor denotes "Armenian," and it is a matter of common knowledge that the Armenians fought well in the recent campaign, the Patriarch and the deputation begged the Grand Vizier, who is also Minister of War, to give an official denial to these mischievous tales.

As appears from the Agence ottomane communiqué the Grand Vizier had no hesitation in acceding to this latter request, and, while paying a tribute to the bravery displayed by the Armenian soldiers in the Balkan war, styled the story that the Armenians had been the cause of Turkish defeats as a "vile calumny." Mahmoud Shevket Pasha, however, hinted that the Armenians must work with the Ottoman Government in its efforts to introduce the necessary reforms and suppress brigandage of which, he stated, the Turks and Kurds had also reason to complain.

This is the old Turkish rejoinder to the special Armenian complaints and the pleas and representations for their redress. It was the argument used by the Porte after the Russo-Turkish war, when pressed to carry out its engagements under Article 61 of the

* Not printed.

Treaty of Berlin, and this aspect of the question was dwelt on by the Ambassadors of the Six Powers in their collective Note to the Porte of the 7th September, 1880, a perusal of which would seem to show that matters in the provinces inhabited by the Armenians have not much improved since that date.

I have, &c.
GERARD LOWTHER.

[22590] No. 186.

Sir E. Goschen to Sir Edward Grey.—(Received May 17.)

(No. 185.)

Sir, *Berlin, May 15, 1913.*

THE German press has been somewhat exercised in its mind as to the negotiations being carried on in London between His Majesty's Government and the Porte on the subject of Koweit and the Bagdad Railway, especially as to the manner in which German interests will be affected. According to some press reports Germany has given her consent to the arrangement, while other papers maintain that the agreement bears an Anglo-Russian character and was concluded over Germany's head. Conspicuous among these latter papers is the "Vossische Zeitung," which publishes a telegram from its Paris correspondent to the effect that a new treaty has been concluded between His Majesty's Government and Turkey, giving to the former paramount influence over the Basra-Koweit section of the Bagdad Railway. "In return for this," the telegram continues, "England undertakes to build up the harbour of Basra, which is of great importance to the Bagdad Railway. On the Turco-Persian frontier Turkey cedes the territory of Urumia, a concession obtained by England in the interests of Russia, in return for Russian support." The telegram concludes by outlining the other provisions of the agreement, including the reforms in Anatolia and Syria promised by Turkey.

In commenting on its correspondent's telegram, the "Vossische Zeitung," after expressing the hope that England's rôle of honest broker during the Balkan crisis was not prompted by self-interest, and after admitting that the above-mentioned terms contain in themselves nothing objectionable to Germany, says that it will be impossible to judge whether England has been playing fair in the Koweit question till the badly-needed German official statement on the subject appears.

This official statement has now appeared in the form of the following telegram to the "Kölnische Zeitung":—

"The press has been busy discussing the negotiations now in progress between England and Turkey about the Bagdad Railway. The two Governments have hitherto made nothing known as to the trend of these negotiations, though it may even now be stated that the view is incorrect that the Anglo-Turkish negotiations will prejudicially affect German interests. It can be confidently asserted that there is in no quarter any intention of ignoring the rights of the Bagdad Railway."

I have, &c.
W. E. GOSCHEN.

[22523] No. 187.

Tewfik Pasha to Sir Edward Grey.—(Received May 17.)

L'AMBASSADEUR de Turquie présente ses compliments à Sir E. Grey et, pour faire suite à la note avec deux annexes qu'il a eu l'honneur d'adresser à son Excellence en date du 24 avril dernier, s'empresse d'ajouter que son Gouvernement, toujours confiant dans les sentiments d'amitié du Gouvernement de Sa Majesté britannique pour l'aider à réaliser le programme de réformes administratives dans toutes les provinces de l'Empire, a décidé de créer un troisième secteur pour la circonscription du sud comprenant le vilayet de Damas.

Ce troisième secteur devant recevoir la même organisation que les circonscriptions administratives du nord et de l'est de l'Anatolie, Tevfik Pacha vient prier son

Excellence Sir E. Grey de bien vouloir ajouter à la liste précédemment remise la liste ci-incluse, qui comprend le nombre et la qualité des fonctionnaires anglais dont le champ d'activité devra s'étendre dans la circonscription du sud.

Ambassade Impériale ottomane, Londres,
le 15 mai, 1913.

Annex.

Nombre et Qualité des Fonctionnaires anglais à engager pour la Circonscription du Sud.

1. Un Inspecteur général.
2. Trois officiers chargés du commandement de régiments de gendarmerie.
3. Un Inspecteur de Gendarmerie.
4. Un Inspecteur de Justice.
5. Un Inspecteur des Travaux publics.
6. Un Inspecteur pour l'Agriculture et les Forêts.

[22562] No. 188.

Sir F. Bertie to Sir Edward Grey.—(Received May 17.)

(No. 247.)
Sir, *Paris, May 16, 1913.*

CONSIDERABLE discussion is proceeding in the French press as to the meaning and probable result of the reported negotiations between His Majesty's Government and the Porte concerning British interests in Asiatic Turkey. There is a tendency to criticise severely French diplomacy for a too negative policy in the Near East, and for thus allowing France to be outstripped by other nations there.

M. Recouly, foreign editor of the "Figaro," in an article on the subject, declares that a long list of demands on the part of France is before the Porte (concessions for ports and railways, schools, &c.). This is, however, not sufficient in view of the new circumstances brought about by the war. A new policy and programme ought to be adopted, and French efforts and action ought to be concentrated in one direction and in one region. This region is clearly indicated—namely, Syria. M. Poincaré during the autumn of last year turned his attention to Syrian affairs. An important exchange of views took place on the subject between the Cabinets of London and Paris. M. Jonnart also paid particular attention to this important question; and certainly M. Pichon will not neglect it.

The article ends as follows:—

"An moment même où d'autres nous donnent l'exemple et nous montrent la voie à suivre, allons-nous demeurer inertes, immobiles? Ne chercherons-nous pas à 'réaliser' nous aussi?"

I have, &c.
FRANCIS BERTIE.

[22525] No. 189.

Sir H. Llewellyn Smith to Sir Edward Grey.—(Received May 17.)

Dear Sir Edward Grey, *Board of Trade, May 16, 1913.*

WE settled the River Navigation Declaration with Hakki Pasha this afternoon *ad referendum*. There remains the position of Mr. Lynch in regard to (1) his existing rights and (2) the new company. I understand that Lynch is coming to the Foreign Office on Monday, when the statement of the British rights annexed to the declaration will be explained to him and he will be asked to accept it—with what result we must "wait and see." Meanwhile, I have discussed with Lord Inchcape the extent to which he would be willing, if he takes up the matter, to meet Lynch with regard to his position in relation to the new company.

The enclosed statement* (which can, if thought well, be shown or given to Lynch on Monday) is the result of this discussion, and I think that on the whole it is very satisfactory. Practically Lord Inchcape will admit Lynch to almost any degree of participation which does not give him the control or management of the new enterprise, and will also console him for any (imaginary) curtailment of rights under his own concession by a reasonable payment in cash or shares.

I am very glad of this, as I feel that it is difficult for us to be quite just to Lynch, whose very obvious faults conceal the fact that for many years he has been a pioneer in the river navigation, and is justified in expecting some priority of rights in the matter.

I am, &c.
H. LLEWELLYN SMITH.

[22638] No. 190.

General Post Office to Foreign Office.—(Received May 17.)

(Confidential.)
Sir, *General Post Office, May 16, 1913.*

IN reply to your letters of the 9th and 14th instant, I have the honour to acquaint you, for the information of the Secretary of State for Foreign Affairs, that there seems to be no objection in principle to the abolition of the British postal agencies in Turkey. This office might indeed welcome their extinction, so soon as there is adequate security for an efficient alternative service. It is considered, however, that in the interests of British commerce their abolition is to be deprecated unless they are abolished concurrently with those maintained by other foreign countries.

With regard to the suggestion that, pending the abolition of the agencies, Ottoman stamps should be sold instead of British stamps, no sufficient reason is seen for raising objection, if acquiescence is expedient for political reasons, nor, from a post office point of view, is it considered that such an alteration in the practice at the British agencies need be made conditional on a similar change in the agencies maintained by other Powers.

I enclose a statement of the estimated receipts and expenditure at Constantinople, Beirout, and Smyrna for the year 1912–1913. The figures for Salonica have not been included, as it is assumed that future action with regard to the agency at that place will be a matter for separate consideration. It will be observed that the statement with regard to the three other agencies, without any allowance for Administrative charges in London, or for the rental value of the post office premises at Smyrna, or for stationery, &c., indicates an annual profit of approximately 1,900*l.*, or about 19 per cent. of the receipts (10,258*l.*) from the sale of postage stamps. It is suggested that, if the proposed alteration is agreed to, it should be on the principle—

1. That the Ottoman Administration should defray any deficit or receive any profit on the service.
2. That there should be no elaborate system of accounting between the two Administrations, but that agreement should be come to (after some further investigation as to probable loss or profit) for the payment of an annual sum to be fixed, say, for a period of five years.

It would be desirable to arrange that any such fixed annual payment should be subject to revision should there be any considerable change in the amount of the business during that time.

From the financial point of view it is necessary to refer to the fact that a considerable portion of the receipts of these agencies is derived from time to time from the sale of stamps to stamp dealers and collectors, and that this amount fluctuates greatly. If the British agencies adopt the use of Ottoman stamps instead of British stamps specially surcharged, it is to be anticipated that the sale to stamp dealers will be greatly reduced even if it does not cease altogether. Immediate steps are being taken to ascertain approximately what proportion of the stamp sales during the past year represents sales to stamp dealers; and the Secretary of State will be furnished as speedily as possible with an estimate of profit and loss after allowing for the extinction of this item of revenue.

* See Enclosure in No. 200.

In the meantime, it is hoped that this letter will enable the Secretary of State to take such action as he finds desirable on the question of principle, leaving the points of detail for further consideration. If objection be taken to the suggestion that the payment to be made to or by the Ottoman Administration should be a fixed annual sum agreed on beforehand, it is thought that it might be possible to arrange that the payment, so long as there is a profit, should take the form of a fixed percentage on the face value of the postage stamps requisitioned from the Ottoman Administration for agency purposes. It is of course assumed that, if the British agencies undertake to sell Ottoman stamps, these stamps will be supplied on demand without charge.

The Postmaster-General is at present travelling on the Continent; and, as the Secretary of State wishes to have an answer this week, it has been impossible to submit the question to Mr. Samuel.

The case will, however, be submitted to him at once for his decision; and, when this is received, a further communication will be sent to you.

I am, &c.
A. F. KING.

Enclosure in No. 190.

STATEMENT of Estimated Receipts and Expenditure at the British Postal Agencies at Constantinople, Beirout, and Smyrna for the year 1912–1913.

Revenue.	£	£	Expenditure.	£	£
Postage Stamp Sales*—			Salaries and Wages—		
Constantinople ..	6,392		Constantinople ..	1,733	
Beirout	1,061		Beirout	413	
Smyrna	2,805	10,258	Smyrna	728	2,874
			Pension charges on above items ..		260
Money orders,—Commission collected from public		113	Rent—		
Postal orders,—Poundage collected from public		130	Constantinople ..	339	
Postage collected in cash ..		155	Beirout	16	
Private boxes		200	Smyrna	—	355
			Incidental Expenses—		
			Ship-letter gratuities ..	247	
			Portorage, &c. ..	270	
			Stores	30	547
			Payments to foreign countries at postal union rates of transit		5,300
			Ditto on parcels		350
			Balance of revenue over expenditure†		1,170
	10,856				10,856

* N.B.—There are considerable fluctuations in the amount of stamps sold owing to the purchases by philatelists.
† No payment from post office funds is made in respect of the rent of the Smyrna office.
‡ Exclusive of Administrative charges incurred at the General Post Office, London.

[22678]

No. 191.

Board of Trade to Foreign Office.—(Received May 17.)

Sir,

Board of Trade, May 16, 1913.

I AM directed by the Board of Trade to refer to your letters of the 23rd April, the 28th April, and the 30th April, relative to the Mesopotamian Oil Concessions, and to offer the following observations thereon for Sir E. Grey's consideration:—

In all the circumstances, and in view particularly of the facts that there is some uncertainty as to the present position of the rights of the Anatolian Railway Company under the Convention of 1904, and, on the other hand, that there is no evidence of any definite undertaking by the Ottoman Government to Mr. D'Arcy in 1909, the Board are disposed to doubt if there are any steps which His Majesty's Government can usefully take in the matter, beyond those indicated in the instructions already given to Sir G. Lowther.

The amalgamation of competing interests, which is now suggested by the Ottoman Government, appears to the Board objectionable, as likely (if carried out on a basis of equality) to lead to the absorption of the Anglo-Persian Oil Company in the Anglo-Dutch combination (in which German interests are believed to be largely concerned). It is possible, however, that the Anglo-Persian Company might be willing to undertake that, in the event of their securing the concession, they would allow the competing interests to subscribe a proportion (say 40 per cent.) of the capital requisite for working that particular concession, and the Board would have no objection to such a course, provided that satisfactory arrangements were made to prevent that holding from being increased in the future.

I am, &c.
H. LLEWELLYN SMITH.

[22729]

No. 192.

India Office to Foreign Office.—(Received May 17.)

Sir,

India Office, May 17, 1913.

IN reply to your letter of the 14th instant respecting the negotiations with Hakki Pasha, I am directed by the Secretary of State for India to suggest that the Shatt-el-Arab riverain convention might run for the same period of years as may be assigned to the navigation concession on the Tigris and Euphrates.

I am, &c.
LIONEL ABRAHAMS.

[22732]

No. 193.

Mr. O'Beirne to Sir Edward Grey.—(Received May 17.)

(No. 194.)
(Telegraphic.)

St. Petersburgh, May 17, 1913.

RUSSIAN Minister for Foreign Affairs referred in conversation yesterday to Anglo-Turkish negotiations respecting the Persian Gulf region. He seemed inclined to complain of His Majesty's Government taking present opportunity to obtain concessions from Turkey. I explained that the negotiations in question formed a natural complement of those respecting Turco-Persian frontier. His Excellency laid particular stress on press reports to the effect that His Majesty's Government have agreed to make a money advance to Turkey. He said that it had been understood between the three Powers that no money should be given to Turkey pending the conclusion of peace. I remarked that there seemed now little danger of Turkey resuming fighting.

It might, I think, be desirable to make some communication to his Excellency about these negotiations, as he seems decidedly sensitive on the subject.

[22795] No. 194.

Sir G. Lowther to Sir Edward Grey.—(Received May 19.)

(No. 419.)

Sir, *Constantinople, May 14, 1913.*

I HAVE the honour to report that I have received a telegram from His Majesty's consul-general at Bagdad, who has just returned from a journey to Samarra, to the effect that, except for some 6 kilom. between the latter place and Bagdad, the earth-works for the Bagdad Railway are practically completed. The bridges also were partially finished, and the work had been for the moment suspended, only one engineer per section being retained to watch over the partly-finished works.

I have, &c.

GERARD LOWTHER.

[22796] No. 195.

Sir G. Lowther to Sir Edward Grey.—(Received May 19.)

(No. 422.)

Sir, *Constantinople, May 15, 1913.*

WITH reference to my despatch No. 350 of the 26th of last month I have the honour to forward herewith a despatch from His Majesty's vice-consul at Van, reporting the departure of Izzet Bey, the vali, who has been recalled to Constantinople.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 195.

Vice-Consul Molyneux-Seel to Sir G. Lowther.

(No. 10.)

Sir, *Van, April 28, 1913.*

I HAVE the honour to inform your Excellency that Izzet Bey, the vali of this vilayet, having been recalled, left to-day for Constantinople. The defterdar has been left in charge of affairs pending the arrival of the new vali, Tahsin Bey, who is said to be leaving Constantinople for Van to-morrow. The moment chosen for changing the vali is not altogether an auspicious one. Although for some time past the idea that some movement is being prepared by the Kurds has been strengthening, Izzet Bey seemed to have sufficient influence over them to keep them in check, and at the same time even his enemies were obliged to admit his integrity of purpose. His recall will now be regarded by the Kurds as a concession to the Armenian Taschnakists' demands and as such will be resented. According to a statement of Mar Shimun the Sheikh of Barzan has warned the chiefs of Tkhuma (Nestorians) of an impending massacre of Christians. Whatever truth there may be in this, the situation certainly calls for the new valis being sent here without any delay.

I have &c.

V. MOLYNEUX-SEEL.

[22802] No. 196.

Sir G. Lowther to Sir Edward Grey.—(Received May 19.)

(No. 426.)

Sir, *Constantinople, May 15, 1913.*

IN my despatch No. 411 of the 12th May I had the honour, *à propos* of the alleged Russian intrigues with the Kurds, whom the Russian authorities were stated to have supplied with money, arms, guns, and ammunition, to refer to the tendency in Young Turkey to set down to foreign intrigue any local unrest really due to the direct or indirect faulty policy of the Central Government.

As an instance of the same tendency I have the honour to enclose translation in French of an article in the Islamic organ published in the capital on the unrest in Mesopotamia and "British intrigue" in that region. The writer accuses England of having distributed large quantities of arms, partly against pay and partly gratis, to all

the tribes of Mésopotamia, and serves up similarly tales about this embassy's imaginary action in connection with the two last Valis of Bagdad, the General Nazim Pasha and Colonel Jemal Bey, now Military Governor of Constantinople.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 196.

Extract from the "Sébil-er-Réchad."

(Traduction.)

SOUS le titre de "Mésopotamie—Décentralisation," le correspondant spécial des Iniles du "Sébil-er-Réchad," S. M. Tevfik, a adressé une longue lettre de Bagdad au sujet du courant qui existerait maintenant dans ladite ville et qui, d'après le correspondant, serait la conséquence des événements qui se déroulent actuellement en Syrie. Après avoir avoué la nécessité des réformes en Irak et en Syrie et critiqué les demandes des Syriens publiés dans les journaux le "Mersid" et le "Mouktebès," le correspondant précité conclut que les susdites demandes aboutissent à une indépendance pour être un jour la proie de la France.

Il parle ensuite de la convoitise d'Angleterre en ce qui concerne la Mésopotamie et il écrit en ces termes :—

"La population d'Irak pourra-t-elle arrêter l'influence de l'Angleterre, qui s'accroît de jour en jour en Mésopotamie? L'Angleterre, qui avait distribué à différentes reprises, soit moyennant argent, soit sans argent, des armes à toutes les tribus de la Mésopotamie, s'est mise à les racheter durant la guerre italo-turque, vu la résistance de la population tripolitaine contre l'Italie. Ceci prouve la méthode et le but que poursuit l'Angleterre en Mésopotamie.

"Il y a deux ans je me rappelle l'article de fond que le 'Times' a écrit au sujet de Koweit. L'auteur de cet article disait : 'La Mésopotamie aura à l'avenir pour l'Angleterre une importance plus grande que l'Inde. La Mésopotamie ressemble à une diamant tellement précieux qu'il serait digne de la ranger au premier rang des colonies anglaises.'

"Le Gouvernement anglais était le premier qui a fondé un consulat ; il a fait des dépenses extraordinaires et il a nommé des fonctionnaires politiques. A cause de tous ces sacrifices matériaux et moraux, l'Angleterre ne pourra plus rester indifférent devant l'idée de l'élimination de son influence en Mésopotamie. Cet article avait été publié dans le 'Times' au temps de Nazim Pacha. Je crois que parmi les causes principales qui ont provoqué la destitution de Nazim Pacha se trouvaient, si je ne me trompe pas, les protestations fréquentes de l'Ambassadeur d'Angleterre.

"Quant à Djémal Bey, il a suivi entièrement dans ce cas l'œuvre de Nazim Pacha, et il a même été obstacle, plus que Nazim Pacha, à l'influence étrangère à Bagdad."

Et il conclut que dans tous ces bruits et tapages l'intrigue étrangère existe.

[22765] No. 197.

Sir G. Buchanan to Sir Edward Grey.—(Received May 19.)

(No. 164.)

Sir, *St. Petersburgh, May 15, 1913.*

WITH reference to your despatch No. 63 of the 5th February last, I have the honour to forward to you herewith copy of an *aide-mémoire* which was handed to me by M. Sazonof in regard to the removal of the lights displayed by the Russian consulate-general at Bushire.

As reported in the telegram which I addressed to you yesterday, the Russian Government have instructed their consul-general only to show such lights in future as may be necessary for the security of the consular building itself.

I have, &c.

GEORGE W. BUCHANAN.

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Enclosure in No. 197.

Aide-mémoire communicated to Sir G. Buchanan by M. Sazonof.

THE Imperial Ministry for Foreign Affairs did not fail to institute enquiries respecting the lights shown by the Russian consulate-general at Bushire, to which reference was made in the *aide-mémoire* of the British Embassy, dated 3rd (16th) February of this year.

From information received it appears that the late M. Dmitrief, in charge of the consulate-general specified, did actually set up lamps, the main purpose of which was the lighting of the vicinity surrounding the consulate. This measure was regarded by him as necessary for the prevention of robberies and attacks which have become customary of late in Bushire. What significance these lamps had from the point of view of navigation is not precisely known to the Ministry. However, there is a statement of the captain of the Russian steamer "Euphrates" to the effect that the lights of the Russian consulate were not of danger for vessels entering the Bushire roadstead.

Nevertheless, desirous of meeting the wish of the British Government, and willing to recognise the preferential right of the latter to interest itself in the lighting and marking of the "fairways" of the Persian Gulf, the Imperial Government have instructed their consul-general at Bushire not to show on his masts lights having the character of a lighthouse, and to confine himself to the burning only of such lamps as will give sufficient light to secure the safety of the vicinity immediately surrounding the consulate itself.

The Imperial Government take note at the same time that the British Government are now providing for the safety of vessels entering the port of Bushire by the establishment at their consulate of dioptric lanterns.

St. Petersburgh, May 1 (14), 1913.

[19208] No. 198.

Sir Edward Grey to Sir G. Louther.

(No. 150.)

Sir, *Foreign Office, May* 19, 1913.

WITH reference to my telegram No. 207 of the 6th and your Excellency's telegram No. 225 of the 9th instant, I transmit to your Excellency herewith copy of a note from the Turkish Ambassador at this Court conveying a request from his Government for the loan of the services of British officials to assist in the reorganisation of the administration, chiefly in Northern and Eastern Anatolia.*

Tewfik Pasha called at this Office on the 13th instant and referred to this question.

Sir A. Nicolson, who received his Highness, told him that the question was being considered by the departments interested, and that it appeared to His Majesty's Government that, as some of the vilayets concerned bordered on the Russian frontier, it would be well to inform the Russian Government of the request which had been made.

Tewfik Pasha said that there would be no objection to this, but that his Government did not wish Russia to participate.

Sir A. Nicolson intimated that, in order not to create embarrassments with other Powers, it seemed to His Majesty's Government that the proposal of an adviser at the Ministry of the Interior had better be dropped. An inspector-general was a different matter.

Tewfik Pasha raised no objection, and Sir A. Nicolson promised that his Highness would receive a reply shortly as to the request he had made.

Sir A. Nicolson informed the Russian Chargé d'Affaires on the 15th instant of this request.

I am, &c.
E. GREY.

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* No. 62.

[21451] No. 199.

Sir Edward Grey to Tewfik Pasha.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Turkish Ambassador, and has the honour to acknowledge the receipt of his Highness's communications of the 24th ultimo and 15th instant conveying a request from the Ottoman Government for the services of certain British officials to assist in the introduction of reforms into the administration of Eastern and Northern Anatolia.

Sir Edward Grey hastens to assure Tewfik Pasha of the earnest desire of His Majesty's Government to assist, so far as lies in their power, the Ottoman Government in the realisation of these excellent intentions, and to do all that is possible to facilitate the task.

His Majesty's Government are, however, loth to lead the Ottoman Government to take any step which might involve them in difficulties with other Governments, and fear that the engagement of subjects of a single Power to fill posts in so many branches of the administration might have the effect of causing to the Turkish Empire embarrassments of this nature. His Majesty's Government would therefore consider it advisable to limit their assistance to the provision of inspectors and officers of gendarmerie in the three secteurs mentioned.

His Majesty's Government think that an inspector-general attached to the Ministry of the Interior, who would serve as a channel of communication between the Central Government and the local inspectors of gendarmerie, might prove sufficient without the appointment, in addition, of an adviser to the same Ministry.

His Majesty's Government would be happy to consider the question of recommending British officials to fill the posts of inspector-general at the Ministry of the Interior, of inspectors of gendarmerie, and of officers of gendarmerie, though, with regard to these last, they would venture to point out that a single officer in each vilayet could hardly be expected to secure the efficiency of the service.

Foreign Office, May 19, 1913.

[23040] No. 200.

Minute by Mr. Parker.

Mr. MAXWELL and I interviewed Mr. Lynch and his manager, Mr. Parry, to-day. We handed him the annexed paper, and discussed the subject very fully.

Mr. Lynch said that the statement of the rights actually enjoyed by his company was correct, except in one minor detail which will be separately dealt with, and he said that the gist of whether or not the proposed arrangements for the new company would be acceptable to him lay in the terms the concessionnaire would offer to the Euphrates and Tigris Company, namely, whether they would receive an adequate number of shares in the new company, and whether they would have a satisfactory working agreement.

But Mr. Lynch said he would prefer not to enter into immediate communication with the proposed concessionnaire (whose name we did not divulge, as we told Mr. Lynch he had not been definitely chosen), but to place his lawyer, Mr. Hamilton, K.C., in communication with the Board of Trade so as to discuss the details. Mr. Lynch said that if the Euphrates and Tigris Company were not the concessionnaire it would be necessary to have such working arrangements at Bagdad and Basra as would obviate the need for two local administrations, as to maintain two such administrations would involve unnecessary expense, and, if this was so, he did not see why the board of the Euphrates and Tigris Company should not be enlarged in London in accordance with any recommendations Sir E. Grey might make, and why the Euphrates and Tigris Company should not then become the concessionnaire.

We explained to Mr. Lynch that Sir E. Grey was not prepared to suggest that company as the concessionaire to control the new Ottoman company, as it would be tantamount to giving the Euphrates and Tigris Company a monopoly in the river navigation.

Sir E. Grey considered that, while the Euphrates and Tigris Company should have a substantial share in the new company, it should not have control. Mr. Lynch

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appeared to think that there would be very little difference between his proposal to broaden the board of the Euphrates and Tigris Company and Sir E. Grey's proposal to give the new Turkish company to another concessionnaire, who would conclude, through the new company, a working agreement with the Euphrates and Tigris Company.

He said that he would prefer, through his lawyer, to discuss this point with experts at the Board of Trade before entering into communication with the proposed concessionnaire, whoever he might be.

Mr. Lynch appeared to be in an accommodating frame of mind, and he said he would let us know his final views as soon as possible.

A. P.

Foreign Office, May 19, 1913.

Enclosure in No. 200.

Statement handed to Mr. Lynch, May 19, 1913.

Mr. LYNCH can be informed that, while it is not possible to arrange that his firm shall be the concessionnaire or the managers of the new Ottoman company, His Majesty's Government will use their good offices to secure that—

1. A substantial portion of the British share of the capital of the new company shall be offered for subscription by the Euphrates and Tigris Navigation Company.

2. Mr. Lynch shall be offered a seat on the board of directors.

3. The new company will be prepared to conclude a reasonable working agreement with the Euphrates and Tigris Navigation Company.

4. In consideration of the position of Messrs. Lynch as pioneers in the navigation of the rivers, they (or the Euphrates and Tigris Navigation Company) shall receive a payment in cash, or a certain number of fully paid up shares in the new Ottoman company, in addition to any shares subscribed under 1.

The above is strictly conditional on—

1. Satisfactory guarantees being given to His Majesty's Government that the Euphrates and Tigris Navigation Company will remain permanently under effective British control; and

2. A clear understanding that Messrs. Lynch and the Euphrates and Tigris Navigation Company are not to look for any support by His Majesty's Government to any claim on their part for more extensive rights of navigation on the rivers than those which they practically exercise at present, defined as follows:—

(*a.*) Two steamers flying the British flag shall continue to navigate the rivers Tigris and Euphrates, and to participate in the general right of navigation of the Shatt-el-Arab.

(*b.*) One steamer flying the British flag shall be held in reserve to replace either of the aforesaid steamers during disablement.

(*c.*) The two steamers actually plying shall be at liberty, as heretofore, to tow two barges each.

(*d.*) One steamer flying the Turkish flag, but placed under the direction of Messrs. Lynch or their nominees, shall be at liberty to navigate concurrently with the two steamers specified above, and likewise to tow barges.

[23195] No. 201.

Sir H. Babington Smith to Sir Edward Grey.—(Received May 20.)

(Confidential.) *National Bank of Turkey, 50, Cornhill, London, May* 20, 1913.

Dear Sir Edward Grey,

I SEE from the statement in the "Times" of the 17th May, which bears some marks of "inspiration," that the question of navigation on the Tigris and Euphrates is playing a part in the present negotiations, and that an agreement may be reached defining and maintaining British rights in the matter.

In this connection I venture to remind you that the National Bank of Turkey has

[23188] No. 200*.

Sir G. Lowther to Sir Edward Grey.—(Received May 20.)

(No. 236.)

(Telegraphic.) *Constantinople, May* 20, 1913.

YOUR telegram No. 216 of 13th May: Oil.

The Grand Vizier and Minister for Foreign Affairs both categorically state that no promises whatever have been given to the representative of Messrs. Wagg, Russell [*sic*].

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already taken an interest in this question, and desired to commence negotiations on the subject, but that, upon an intimation from the Foreign Office that the proposed combination was not regarded favourably, these negotiations were dropped.

If, as seems probable, the contemplated arrangement includes the formation of a company with British capital and under British management, I venture to suggest that the National Bank of Turkey should be the organ for dealing with the financial side of the question. We should naturally, in such a matter, wish to associate ourselves in the group to be formed, with persons having practical experience in navigation.

It is, of course, impossible for me to enter into any further detail without knowing more fully the nature of the arrangement contemplated. At present, therefore, I would only say that we should be very willing to consider any scheme which would meet your wishes.

I am, &c.
H. BABINGTON SMITH.

[23972] No. 202.

Lieutenant-Colonel Sir P. Cox to Sir Edward Grey.—(*Received May* 20.)

(Telegraphic.) R. *Bushire, May* 20, 1913.

MY telegram of 15th May.

The consul at Basra telegraphs that a party of Turkish officers and soldiers, with 150 cases of ammunition for Elhassa, have embarked on British Indian mail steamer arriving at Bushire 22nd May and Bahrein 23rd May.

In this connection please see correspondence of June 1893 and Sir A. Nicolson's intimation to the Porte that His Majesty's Government would not permit transhipment of Ottoman troops in Bahrein waters.

From the local point of view the maintenance of neutrality is important, especially for the Sheikh of Bahrein, but, having regard to the state of Anglo-Turkish negotiations, the position is delicate, and I should be glad to know the attitude of His Majesty's Government by the morning of 22nd May, so that I can instruct the political agent.

(Addressed to Foreign Office; repeated to India.)

[22732] No. 203.

Sir Edward Grey to Mr. O'Beirne

(No. 413.)

(Telegraphic.) R. *Foreign Office, May* 20, 1913.

YOUR telegram No. 194 of 17th May: Persian Gulf Anglo-Turkish negotiations.

You should explain to Minister for Foreign Affairs that, so far as I am aware, there is no question of a British advance to Turkey under consideration, and certainly His Majesty's Government have not undertaken any obligation to make a separate advance to Turkey apart from the other Powers. I trust that all the Powers will, on the conclusion of peace, be prepared to use their good offices to facilitate Turkey's efforts to secure that financial assistance which will be essential for her welfare, but this has formed no part of our own negotiations with Turkey. You should add that our negotiations with Turkey respecting the Persian Gulf involve no attempt to press her in her present condition, since they have been in progress for over two years, and that from the outset the successful issue of those negotiations has been made an important condition of British assent to the Turkish customs increase.

I could not possibly defend our assent to that increase (which will principally affect British trade, which amounts to 60 per cent. of the total imports in Mesopotamia) unless I had concluded our negotiations first.

Apart from the Turco-Persian frontier, our political negotiations merely involve the recognition by Turkey of the *status quo* in the Gulf, as it has existed for a century, and the other negotiations are directed to safeguarding British commercial interests in view of the steady progress and undoubted ultimate completion of the Bagdad Railway.

But British assent to the customs increase will continue to be dependent on the assent of all the Powers concerned to that measure.

I have kept the Russian Ambassador informed of the progress of the Bagdad Railway negotiations, and as long ago as last summer I communicated to the Russian

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Government the draft of a convention respecting the Shatt-el-Arab—a convention which has since so far only been modified in unimportant details.

We are in no way endeavouring to turn the misfortunes of Turkey to our own advantage, but merely to safeguard our important existing interests in view of altering local conditions.

[23210] No. 204.

Sir G. Lowther to Sir Edward Grey.—(Received May 21.)

(No. 430.)

Sir, *Constantinople, May 16, 1913.*

I HAVE the honour to transmit herewith copy of a despatch from His Majesty's vice-consul at Mosul reporting on current events in Mosul vilayet.

It will be noticed that Mr. Hony, in speaking of the unrest among the Kurds, states that such information as he has confirms the idea that the movement is directed more against the Committee of Union and Progress than against Turkish rule in general, and that the Russian support attributed to it had been exaggerated. In my despatch No. 414 of the 12th May I had the honour to point out that the outcry as to Russian intrigue in these parts was probably exaggerated, and was, perhaps, largely due to the well-worn device of the Committee of Union and Progress to shift on to foreign shoulders the responsibility for movements really directed against themselves.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 204.

Vice-Consul Hony to Sir G. Lowther.

(No. 10.)

Sir, *Mosul, April 23, 1913.*

I HAVE the honour to report as follows on current affairs in Mosul and district.

Vali.—Moharrem Bey cannot be described as a success so far, but it is hardly fair to pass judgment on him at present. He was a nominee of Kiamil Pasha, and is not on good terms with the present Committee Government. He knows that his position is precarious as long as that Government is in power, and so he is very careful not to do anything that could possibly justify his dismissal. He takes no responsibility himself, but hands everything over to the heads of the various departments.

Kurdish Rising.—The so-called rising of the Kurds in the neighbourhood of Jezireh arose from a quarrel between one Dervish Aga of Chollek and the Kaimakam of Midiat. Dervish Aga told the kaimakam that he refused to recognise the Turkish Government as long as it appointed officials like him. The kaimakam reported the matter to his superiors, and orders came to arrest Dervish Aga alive or dead. A force of zaptiehs was sent from Mardin, but Dervish Aga collected a formidable band of adherents, and it was thought wiser not to attack him. The Vali of Diarbekir then asked Hassan Bey Bederkhanzade to use his influence to settle the affair. Hassan Bey replied that he would not do so unless he were regularly appointed from Constantinople for the purpose. As a result of this, Hassan Bey and Hussein Pasha Bederkhanzades and the Vali of Bitlis were appointed a sort of commission to settle the question.

The Bederkhans let it be known that they had no intention of letting Dervish Aga submit unless certain officials were dismissed and he himself amnestied.

I now learn that the Kaimakams of Midiat and Jezireh and two mudirs have been dismissed, and that the affair may be considered as settled for the present. But the power of the Bederkhans must have been increased by this incident, and they will probably give more trouble in the future.

I have made great efforts to learn more of this movement, and such information as I have confirms the idea that it is directed more against the Committee than against Turkish rule in general, and that the Russian support attributed to it has been exaggerated. There can, however, be little doubt that the supporters of the movement near the Persian frontier are receiving encouragement from the Russians.

Pan-Arabism.—Letters have recently been received by prominent men in Mosul containing circulars advocating a union of Arab-speaking peoples. One of these circulars was a programme of reforms drawn up by "The Beirout Reform Committee." Another which I saw pointed out that the Turks had failed so ignominiously in the

war because they were totally ignorant of everything; that in the old days the Arabs were pre-eminent in all the sciences, and were capable of being so again. It called on all Arabs to wake up and take the place they formerly held. It did not advocate independence or separation from the Turks but only decentralisation, but it concluded thus: "Should Allah, however, will the dissolution of the Turkish Empire, we must see to it that Arab lands remain in Arab hands."

A Beirout paper appears to have spoken slightingly of the inhabitants of Mosul vilayet, saying that they could hardly be expected to take a part in the general movement for reform, as they were mostly "black-tenters," i.e., nomadic tribes. The notables of Mosul, nettled by this insinuation, at once sent a telegram to the Porte, saying that they had refrained from demanding reforms so far because they did not wish to embarrass the Government at this juncture, but that they were no whit behind Basra and Beirout in their determination to have reforms.

I am told that an order has come that in future Arabic is to be the official language of the vilayet. If this is true it must, I think, be regarded as an attempt of the present Government to curry favour in a district where it is universally loathed. But the reform is a most necessary one. It is ridiculous that, in a district where 90 per cent. of the inhabitants know Arabic only, the law court proceedings are all in Turkish and all petitions and official documents must be in that language.

Assault on Christians.—Two days ago a dispute arose between a Kurd and a Christian. The Kurd thereupon began cursing all Christians, and they came to blows. My dragoman happened to be present, and he succeeded in separating them. But the Kurd went off to the market, collected some twenty hammals, armed with sticks, and waylaid the Christian and his brother, who were beaten nearly to death. On hearing of this, I at once went to the vali and demanded the arrest and punishment of the culprits. My French colleague did likewise. The men have been arrested, but their friends have been trying to get them released on bail. I told the vali that we could not tolerate this, as any leniency in a case at this time might have very serious consequences.

Military Notes.—Hussein Husni Bey, chief of staff of the 35th division, has been promoted to binbashi and appointed to the Yemen. The Ministry of War offered promotion to any officer who would volunteer for the Yemen, and Husni Bey took advantage of this.

Essad Pasha, the commandant, has been trying to get his remove from Mosul, as he is sick of it. I hope that for the present he will remain, as I regard him as the only capable official here and the only person who could be trusted to take prompt and proper action in an emergency.

I am told that large numbers of Christians, from whom military service will shortly be due, are emigrating to America; no fewer that fifty-three are said to have left in one week.

A Christian, employed as clerk in the commissariat department of the Mosul Army Corps, told Dr. Stanley that money was regularly drawn all the year round for certain things which were only in season for a few months, and that the commissariat officers pocketed it during the rest of the year.

I have, &c,

HENRY C. HONY.

[23214] No. 205.

Sir G. Lowther to Sir Edward Grey.—(Received May 21.)

(No. 434.)

Sir, *Constantinople, May 17, 1913.*

ONE of the numerous suggestions for judicial reforms which have been the subject of discussion in this country since the change of régime in 1908 has been the proposal to make justice more accessible and less complicated in its forms, especially in rural districts, by instituting a system of "juges de paix," or itinerant magistrates, to deal with such cases as most frequently occur. Count Ostrorog, who was for some time foreign adviser to the Ministry of Justice, drafted a scheme in 1909 and a Bill based on his draft but differing from it considerably was submitted to Parliament. Like the majority of Bills dealing with large questions of internal reform this never emerged from Parliament, and as in many other cases (*e.g.*, the law on provincial administration and the land laws) the executive has now taken the course of promulgating as a provincial

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law a measure on the same general lines as the Bill. It is dated the 24th April of this year.

The details of the new measure are not of very general interest, and no French translation has yet appeared. It will suffice to say the "juges de paix" are to be appointed in each caza of the Empire at the normal rate of one for each caza; are to sit in places so chosen that no person need travel more than two hours' journey in order to have his case heard; and are invested with a jurisdiction of considerable range in both civil and penal matters. An attempt is made to reduce procedure to its simplest form, *inter alia*, by enabling all proceedings to be taken by verbal application. In civil cases the judge is bound to attempt to bring about an amicable agreement, and otherwise assist the parties in various way. Facilities for contesting judgments and sentences are not entirely excluded, but are reduced to what the authors of the law, dominated by ideas based on the elaborate system existing in the ordinary courts and borrowed from the French, doubtless considered the absolute minimum.

An interesting special feature of the law is the provision of facilities for the reinstatement in possession of real property of the holder of a *primâ facie* valid title deed, without prejudice to the right of the actual occupant to establish a superior title by proceedings in the ordinary courts. The important series of articles bearing on this subject aim at giving ready redress to persons lawlessly dispossessed of their property by more influential neighbours.

It is noteworthy that the authors of the law have omitted an important point expressly provided for in Count Ostrorog's original draft, namely, that the new judges should be acquainted with the vernacular of their district. This is a vital matter, especially in the Arab provinces, but the Government were doubtless unwilling to commit themselves in a legislative act to an express recognition of local languages, and would probably reply to Arab criticism of the omission by pointing out, as far as the Arab countries are concerned, the case is met by the Ministerial decree reported in my despatch No. 332 of the 21st April last.

I have, &c.
GERARD LOWTHER.

[23321] No. 206.

Anglo-Persian Oil Company to Foreign Office.—(Received May 21.)

Winchester House, Old Broad Street, London, May 20, 1913.

Sir,

I BEG to acknowledge receipt of your letter of the 16th instant relative to the alleged pollution of the waters of the Shatt-el-Arab by our company's works on Abadan Island.

I am pleased to learn that Sir E. Grey will defer replying to the note of the Turkish Ambassador until the report which His Majesty's consul at Mohammerah has been instructed to furnish, as well as the one from our agents, has been received and considered.

I note that the whole waterway of the Shatt-el-Arab is recognised as Turkish by His Majesty's Government, and that Sir E. Grey is anxious to meet, as far as possible, the views of the Ottoman Government, but am confident that investigation will prove that there are no reasonable grounds for complaint in the present case.

I have, &c.
C. GREENWAY,
Managing Director.

[23351] No. 207.

Note communicated by Russian Embassy, May 21, 1913.

M. SAZONOF est très reconnaissant de l'obligeante information au sujet de la demande du Gouvernement ottoman que des officiers anglais soient désignés en qualité d'instructeurs de la gendarmerie dans les vilayets asiatiques de l'Empire.

Il pense, toutefois, que cette question devrait être comprise dans l'ensemble du projet de réformes à introduire en Asie Mineure.

Le Gouvernement Impérial ne pouvant se désintéresser de tout ce qui se rapporte

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[23545] No. 210*.

Sir Edward Grey to Sir F. Bertie.†

(No. 211.)
(Telegraphic.) *Foreign Office, May* 21, 1913.

I EXPLAINED to French and Russian Ambassadors this morning position of Bagdad Railway negotiations with Turkey. With Turkey a draft convention has been initialled *ad referendum* whereby we desist from any participation in railway up to Basra, on condition two British directors are on board of Bagdad Railway Company from Konieh to terminus, in order to assure themselves that no differential rates are established, and also on condition that line does not proceed beyond Basra without our consent. Germany has intimated to us that she would be willing to consent to this arrangement provided we supported her delegates at Financial Commission in Paris in seeking for revenues to replace those she will lose in territories ceded to allies in Europe, and which were affected to Bagdad Railway, and also in finding securities for Bagdad–Basra section. I have not yet replied to this suggestion. Right of Bagdad Railway Company to construct line from Bagdad to Persian Gulf is still in existence, as Turkish Government have not formed a new company to replace the German company. No mention as to Bagdad–Khanikin line has been made to us by Germany, and if the question were raised I should reply that it is a matter in which Russian Government are concerned.

† Also to Mr. O'Beirne (No. 419).

aux régions limitrophes de l'Empire—notamment de l'Arménie—s'est fait un devoir d'attirer, il y a quelque temps déjà, l'attention des Gouvernements britannique et français sur la nécessité de se concerter à cet effet.

Le droit de participation de la Russie, de l'Angleterre et de la France dans la résolution de cette question se trouve d'ailleurs confirmé par le précédent de 1895, lorsque la Porte a notifié son projet de réformes précisément aux Gouvernements de ces trois Puissances.

Le moment actuel semble indiqué pour y procéder, et le Gouvernement Impérial pense que les Ambassadeurs de Russie, Angleterre et France à Constantinople pourraient être chargés d'élaborer les mesures concrètes des projets de réformes en question.

M. Sazonof serait reconnaissant de connaître la manière de voir du Cabinet de Londres à ce sujet.

Ambassade Impériale de Russie, Londres,
le 21 *mai*, 1913.

[23341] No. 208.

Sir G. Lowther to Sir Edward Grey.—(Received May 21.)

(No. 237.)
(Telegraphic.) *Constantinople, May* 21, 1913.

FOLLOWING from consular officer at Basra, dated 19th May :—

"Five Turkish officers, with fifteen soldiers and 150 cases of ammunition, proceeding to-day by British Indian steamship 'Baroda.'

"(Addressed to embassy ; repeated to Bushire.)"

[23347] No. 209.

Sir G. Lowther to Sir Edward Grey.—(Received May 21.)

(No. 238.)
(Telegraphic.) R. *Constantinople, May* 21, 1913.

MY telegrams Nos. 236 of yesterday and 117 of 1st March.

I understand that representations made by you on the subject of oil concessions for Bagdad and Basra have had a certain effect here in official circles.

It would seem best to keep up pressure on Hakki Pasha.

[23357] No. 210.

Mr. O'Beirne to Sir Edward Grey.—(Received May 21.)

(No. 195.)
(Telegraphic.) R. *St. Petersburgh, May* 21, 1913.

RUSSIAN Minister for Foreign Affairs alluded to-day to question of organisation of gendarmerie in Asiatic provinces of Turkey by British officers. He asked me to impress on you that he attaches great importance to gendarmerie question not being separated from general question of reforms in Asiatic Turkey and to whole subject being treated by three Ambassadors at Constantinople.

[23072] No. 211.

Sir Edward Grey to Lieutenant-Colonel Sir P. Cox.

(Telegraphic.) R. *Foreign Office, May* 21, 1913.

YOU should take no action.

The negotiations with Turkey are proceeding satisfactorily, and, if necessary, we could protest against any transhipment *ex post facto*.

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[23545] No. 212.

*Sir Edward Grey to Sir F. Bertie.**

(No. 322.)

Sir, *Foreign Office, May 21, 1913.*

I EXPLAINED to the French and Russian Ambassadors to-day the position about the Bagdad Railway. We had made up our minds that nothing could prevent the railway from going to Basra, and we had decided that the point for us to safeguard was that the *status quo* in the Persian Gulf should not be disturbed. An agreement, *ad referendum*, had therefore been drawn up with a representative of the Turkish Government, under which there were provisions about Koweit, Bahrein, El Katr, and so forth, for securing the *status quo* in the Persian Gulf, provisions about the navigation of the Shatt-el-Arab, and a stipulation that the Bagdad Railway should not go beyond Basra without our consent. We had not claimed participation in the Bagdad Railway, but were to have two directors on the board of the railway from Konieh to Basra. These directors would, of course, not be able to exercise control, but they would be able to see that, in practice as well as in theory, there was no differentiation of rates on British goods. They would be able to let us know if any such differentiation did take place, in which case we should make diplomatic representations.

Since we had made this arrangement with Hakki Pasha, the German Government had begun to speak to us on the subject. Apparently, they were entitled to claim from Turkey that the Bagdad Railway should, in one way or another, be continued to the Persian Gulf; and they said that, therefore, Turkey could not forgo without their consent the right to make the railway from Basra to the Gulf. But this consent they were willing to give if there was no opposition to the railway being made to Basra, and if they could be assured that the financial guarantees for making the line up to Bagdad, which would be lost by the cession of Turkish territory in Europe to the allies, would be replaced, and if further guarantees were secured to carry the line on to Basra. This was a matter that would come before the Financial Commission in Paris, and I could not commit myself to the German Government without first discussing the matter with the French and Russian Governments. We were now satisfied that, if the railway did not go beyond Basra, we need not regard it as being prejudicial to British interests, and we need not oppose it.

The French Ambassador was under the impression that we had secured the right to build the section from Basra to the Gulf, and had been offered the Bagdad–Kanikin branch.

I assured him that this was not so. We had not acquired any right to build any section, and we had no participation. It was true that something had been said by an unauthorised German to Mr. Lynch, who was also an unauthorised person, as far as these negotiations were concerned, about giving us the branch from Bagdad to Kanikin. But I had discouraged any idea of such a proposal being brought into the discussion, as it seemed to me to affect the arrangement that Russia had made at Potsdam—an arrangement that was connected with the Kanikin branch.

I am, &c.
E. GREY.

[23708] No. 213.

Sir Edward Grey to Sir F. Bertie.†

(No. 326.)

Sir, *Foreign Office, May 21, 1913.*

SIR ARTHUR NICOLSON, who was with me, explained to the French and Russian Ambassadors to-day the proposal that the Turkish Ambassador had made about the gendarmerie in Asia Minor. He pointed out that the Russian Government wished the matter held in suspense until we had come to an arrangement about reforms in Asia Minor. He quite agreed that these should be discussed; that we should come to an agreement with France and Russia; and that we should then discuss the matter with the other Powers. Reforms for Armenia were urgent. But, meanwhile, it would never do to discourage the Turks in their wish to make improvements, and any arrangements that they made about the gendarmerie now would be helpful to any scheme of reform. As a matter of fact, the Turks had asked for British officials for all

* Also to Mr. O'Beirne (No. 205). † Also to Mr. O'Beirne (No. 202).

sorts of things. We proposed to lend officials only for the gendarmerie in the Armenian vilayets, and to refuse to do even this would be most discouraging.

The French Ambassador entirely agreed that the Turks must not be discouraged, and that the request for the gendarmerie was one that we could not refuse.

I am, &c.
E. GREY.

[17815] No. 214.

Foreign Office to India Office.

Sir, *Foreign Office, May 21, 1913.*

WITH reference to your letter of the 21st ultimo and previous correspondence relative to the question of red oxide on Abu Musa Island, I am directed by Secretary Sir Edward Grey to transmit to you herewith a translation of a note from the German Ambassador at this Court forwarding a translation of a letter from Messrs. Wönckhaus and Co., stating their objections to the proposals for a compromise contained in the note addressed to Count Metternich on the 6th December, 1911.

Prince Lichnowsky also enquires when the direct negotiations between His Majesty's Government and the firm, the suggestion for which was made on the 9th January by the councillor of the embassy in a conversation with Sir L. Mallett and accepted by the latter on behalf of His Majesty's Government in his note of the 17th January, should begin.

As regards Messrs. Wönckhaus's first objection, I am to state that Sir E. Grey is disposed to admit that the considerations advanced are not without force and that, while he would be unwilling, for political reasons, to see a concession for the working of the mines granted to the firms themselves, he would consent to give to them, through the German Government, an assurance that, in the event of the grant of such a concession to a person or persons agreeable to His Majesty's Government, the latter will use their influence with the Sheikh of Sharga to ensure that he shall abstain from vexatious interference with the rights and operations of the concessionnaires.

Sir E. Grey is further disposed to recognise a certain justice in the second objection in view of the fact that some time must necessarily elapse before the mines can again be profitably worked, and he would accordingly be willing to consent to some extension of the two years and eight months originally suggested.

While admitting to the above extent the validity of the considerations advanced by Messrs. Wönckhaus, Sir E. Grey must nevertheless regard their counter-proposal as wholly inacceptable.

If nothing had occurred to interrupt the regular fulfilment of their contract, the firm would have had the right to buy a maximum of 5,000 tons of oxide a year for four years at 15*s.* 6*d.* a ton, whereas they now demand for themselves, in consideration of a nominal rent the entire profit on all the mines on the island for six years with the practical certainty of receiving it for six more. It is clear that, were this demand entertained, they would find themselves in a position infinitely more advantageous than that which they would have occupied under the original arrangement, and one to which the Sheikh of Sharga would without doubt strongly object.

Sir E. Grey regards as equally inadmissible the claims for damages put forward in the statement which follows in Messrs. Wönckhaus's letter.

The item numbered 1 deals in reality with two separate claims. The first of these, on account of advances to the mining company, could be made the subject of enquiries on the spot, though it is hard to believe that the sums advanced can have been very considerable. As for the second, the destruction of deposits referred to is, presumably, destruction by exposure to the weather, but Sir E. Grey does not know by whom any oxide has been removed except by Messrs. Wönckhaus themselves. Further information would, therefore, have to be supplied by the firm with reference to this item.

Item No. 2 of the claim appears to Sir E. Grey to be entirely unjustified. The oxide shipped by the "Louise" was allowed to leave by His Majesty's Government as an act of grace, in order to render easier the position of Messrs. Wonckhaus. Any profit whatever made from this shipment must therefore be regarded as pure gain for the firm, and His Majesty's Government cannot admit any claim based on the fact—if it be a fact—that the quality of the mineral is inferior to that of previous consignments, or that there has been a difficulty of disposing of it.

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It appears to Sir E. Grey that if the claim under No. 3 is valid at all, it concerns a question which should be settled between the sheikh and the mining company, and that the claim that Messrs. Wönckhaus and Co. should not only receive the concession for working the mines, but also be paid the amount necessary to put the mines in order is a preposterous one.

Items Nos. 4 and 5 appear entirely inadmissible. As regards the former, the employés of the firm were not injured, and, when fired on, were in a place where they had no business to be. They have, therefore, no right to complain of any fright or inconvenience which they may have suffered in consequence of an act done at their own risk. The latter claim appears to Sir E. Grey to be completely unsubstantial, and to belong to a category which His Majesty's Government have been unwilling to consider in the past.

Sir E. Grey is disposed to think, in view of the last sentence of Messrs. Wönckhaus's letter, that the best solution of the whole question would be the payment of a lump sum to the firm which should take no account of separate and detailed claims.

Before, however, making any proposal of this nature to the German Government, Sir E. Grey would be glad to learn the views of the Marquess of Crewe on the subject.

I am, accordingly, to propose that Prince Lichnowsky's note should be referred to the consideration of His Majesty's consul-general at Bushire, through the Government of India, and that, in the meanwhile, his Excellency should be informed that while Messrs. Wönckhaus's communication will be carefully examined, His Majesty's Government must say at once, without going into details for the present, that the counter-proposal of the firm is entirely unreasonable and unsuitable even as a basis of discussion, as, to quote one example only, appears from the difference between their position under their original contract and that which they now to seek to obtain, and that if this attitude is seriously maintained, it appears unlikely that any useful purpose would be served at present by the proposed direct negotiations between His Majesty' Government and the firm.

I am, &c.
LOUIS MALLET.

[23501] No. 215.

Minute by Mr. Parker.

Sir A. Nicolson,

HERR KÜHLMANN came to see me yesterday and, after saying he had ascertained that there was no intention, as we had heard, to deflect the main line of the Bagdad Railway at Mosul, he proceeded to mention what he described as "one or two points of detail" regarding our original conversation of the 7th May.

As Sir E. Grey had warned me before that I was not to discuss any fresh proposals, I told Herr Kühlmann that I would merely listen to what he had to say and report it.

Since some of his "points of detail" are to the advantage of Germany, I think it is very desirable that Sir E. Grey should have this minute, and my original record of Herr Kühlmann's proposals, before him when he sees Herr Kühlmann to-morrow.

It will be recollected that Herr Kühlmann has accepted that record as an accurate version of his proposals, and a copy of it is annexed. The important point to bear in mind is that paragraph 6 does not enter as a condition of the proposed written agreement with Germany: I was particularly careful to keep it out by the wording of my minute. The suggested conditions of the bargain with Germany are to be found only in paragraphs 1 to 4 of my record.

When he came on the 20th May, Herr Kühlmann said he understood the German Company would prefer to build the port of Basra alone. (This is intelligible from the German standpoint, but we should prefer to participate owing to our special interest in the river and for other reasons.)

The Germans, he said, would like the conditions for controlling the port at Basra to be the same as those which exist at Haidar Pasha (opposite Constantinople). He would explain those conditions later. If we did exercise any share of control, he said he would prefer that it should be done through the proposed Shatt-el-Arab Commission. (*Primâ facie*, there seems no objection to this, but it must be fully looked into.)

The German Government could not absolutely prohibit any German subject from buying shares in the new navigation company, or even from engaging in navigation, but they would undertake not to "encourage or support" any German subject in

taking part in the navigation. The German Government hoped, however, for the sake of public opinion, that the word "monopoly" might be avoided in the agreement with Turkey. I said I would report his remarks, but that the monopoly was the essence of the whole thing, just as in effect the Germans had a monopoly on the railway, and I said it seemed to me impossible to secure our object if the word were omitted.

He said the German Government hoped we would agree to give an undertaking that there should be no discrimination between the different nations in regard to river traffic rates. (This is quite reasonable.)

Then he said that if the company agreed to the "indefinite postponement" of the line from Basra to the Gulf it would require financial compensation from the Turkish Government for that section (100 miles or so). (The Germans seem to intend to squeeze the poor Turks, but this is not our business.)

Lastly, he said that the company wished not merely to secure the allocation of specific revenues for the main line up to Basra, but also for the branches (which include the Khanikin branch). He said this was a detail which need not be specially brought to Sir E. Grey's attention, but it is, owing to the introduction of the Khanikin branch, a very important detail, and however important the construction of the Khanikin branch may be as an artery of British trade, there seems little doubt that Russia will oppose any attempt on Germany's part to secure the immediate allocation of revenues for this branch, as the date of completion of that branch has an important effect on Russia's obligations under the Potsdam agreement. The Bagdad Railway Company is of course already entitled, under the original concession of 1903, to secure the allocation of revenues for that branch eventually, but I think we should stipulate with Herr Kühlmann that, having regard to the exhausted financial condition of Turkey at the moment, the company should be content if they secure the allocation of revenues for the main line up to Basra, leaving the branches till a later date. Otherwise there will be a sharp divergence of opinion in the Financial Commission at Paris.

Meanwhile it seems important to maintain the position that the question of securing the allocation of revenues for the railway does not enter as a condition *expressis verbis* into our bargain with Germany. All that Herr Kühlmann asked on the 7th May was a sort of collateral assurance that we would help them to get security for the main line to Basra.

It seems very desirable to tie the Germans down as soon as possible to their undertaking about the river navigation, lest they should whittle it away, and I venture to suggest that a draft agreement should be prepared *ad referendum*.

A. P.

May 21, 1913.

[23340] No. 216.

Minute by Mr. Parker.

MR. LYNCH called to-day and brought the draft of a reply he proposed to send in regard to the recent proposals communicated to him by Mr. Maxwell and me regarding the river navigation.

He said he would like to discuss the subject further with me before sending in his reply, and he said he did not think any arrangement would be a fair one which did not, in recognition of his existing position and past history, give him a very substantial participation in the shares of the new company and in the profits of local management.

I said to him that the latter item might perhaps be secured by the drafting of the working arrangement, and I got him to agree that, provided he secured such arrangements, he would be content with a minor, though yet a substantial, participation in shares, thus leaving the control of the new company to the nominee of His Majesty's Government; but he expressed a strong wish that he would be consulted about the nominee, and he said that he would particularly resent the introduction of an outsider in navigation, such as Mr. Greenway.

I then said that it was felt here that the nominee should be someone connected with shipping, and he said that either Lord Inchcape or Mr. Buchanan, of the British India Company, seemed to him the best people to put forward. I replied that I was sure Sir E. Grey would attach great importance to any recommendation which he (Mr. Lynch) might make on the subject, and suggested that he should put forward these two names

in his written reply. This he promised to do, and to let me have the reply this afternoon.

He said he would further suggest that his manager, Mr. Parry, should enter into immediate communication with the Board of Trade as to drafting a working arrangement.

A. P.

Foreign Office, May 21, 1913.

[23443] No. 217.

Mr. O'Beirne to Sir Edward Grey.—(Received May 22.)

(No. 166.)

Sir, *St. Petersburgh, May 18, 1913.*

WITH reference to Sir G. Lowther's despatch No. 278 of the 6th ultimo, reporting the visit of a correspondent of the "Bourse Gazette" to Armenia, I have the honour to report that, from an article which appeared in that newspaper about a fortnight ago, the correspondent in question seems to have been expelled from Asia Minor by the Turkish authorities for having too openly supported the Armenian cause.

The same journal has published two subsequent articles on the Armenian question. The first referred to collective action by the Powers in Albania, and advocated *à fortiori* joint measures on behalf of the Armenians. The second, in commenting on the agreement between England and Turkey respecting Koweit as affecting Russian interests in Asia Minor, declared that, whatever view might be taken of Russia's commercial position in that country, there could be only one opinion as regards the importance of her political interests there. The question of reforms in Anatolia had long been a burning question for Russia. The position of the Armenians was an insufferable one, and would have to be fundamentally changed in order to ensure them the right to live and develop in peace.

The "Bourse Gazette" concluded by stating that this was the moment for Russian diplomacy to take action, and it expressed the fear lest the Government should once more remain passive and allow the initiative to pass into other hands.

I have, &c.

HUGH O'BEIRNE.

[23484] No. 218.

Aide-mémoire communicated by Tewfik Pasha, May 22, 1913.

DANS la note du 15 mai, 1913, il a été dit, par suite d'une erreur dans le déchiffrage du télégramme ministériel, que le troisième secteur englobait également le vilayet de Damas. De la correspondance subséquente il appert que ce troisième secteur comprend seulement les vilayets de Smyrne, Brousse et Constantinople.

Ambassade Impériale ottomane, Londres,
le 21 mai, 1913.

[23485] No. 219.

Mr. Lynch to Mr. Parker.—(Received May 22.)

Dear Mr. Parker, *33, Pont Street, London, May 21, 1913.*

I PUT the enclosed forward tentatively as a result of our interview of this morning.

I shall be greatly obliged if Mr. Parry could be put into touch with a representative of the Board of Trade with a view of hammering out a working arrangement before anything may be said to a prospective concessionnaire.

Yours sincerely,

H. F. B. LYNCH.

Enclosure in No. 219.

Memorandum by Mr. Lynch.

THE proposal submitted to us cannot be appreciated in the absence of fuller details, such details being of the essence of the matter. If the proposal involves the exclusion of Messrs. Lynch Brothers from participation in the local management of the new company, then it would be, in our view, an wholly inadequate recognition of our existing position of primacy on the rivers, and of our efforts in the past to bring about an amalgamation of the steamer services under our management. It will be recognised that the principal source of profit is to be found in the advantages and emoluments derivable from the local management. We must therefore await the details of the proposed working agreement between the two companies before expressing any further opinion.

We have, moreover, expended within quite recent years an immense amount of personal labour and effort, in addition to a sum of several thousands of pounds, in endeavouring to bring about, at the instance of His Majesty's Government, an amalgamation of the steamer services. This amalgamation was defeated by German diplomacy. But we have now been invited by the representatives of German interests in these regions to revive a scheme of this nature with some German participation. Acting with complete loyalty, we have kept His Majesty's Government correctly and fully informed of these overtures. Under these circumstances we are unable to believe that His Majesty's Government do actually contemplate the relegation of our firm and company to a secondary position on the rivers of Mesopotamia, but this, in turn, depends upon the details of the scheme, and the extent of participation in the share capital and management of the new company to be accorded to us.

On the other hand, we consider it not unreasonable that others should be asked to take part in the enterprise. His Majesty's Government will, however, recognise that it must be of the greatest importance to us to secure colleagues conversant to some extent with the nature of the business on hand and with whom we might hope to work fruitfully and amicably. We would, therefore, suggest the following arrangement, and we shall be glad to know within the next few days whether it is approved:—

The concessionnaire of the new company to be either Lord Inchcape or Mr. W. A. Buchanan, of the firm of Messrs. Gray, Mackenzie and Co., of Basra, agents of the British India Steam Navigation Company (Limited). The first British directors to be agreed upon by mutual consent between the concessionnaire and the Euphrates and Tigris Steam Navigation Company (Limited.).

The local management to be conducted in such a way as to meet Turkish susceptibilities, but to be under the charge of Messrs. Gray, Mackenzie and Co. at Basra, and of Messrs. Lynch Brothers at Bagdad and other internal ports.

Incidentally, we may point out that an arrangement of this kind would be essential to the due execution of a working agreement between the two companies, and to their economical administration.

Provided acceptable working arrangements can be ensured and their execution duly safeguarded, I should be disposed to advise the Euphrates and Tigris Steam Navigation Company (Limited), while claiming themselves a substantial participation in the British share of the new company, to allow the actual controlling shares to be in the hands of the concessionnaire.

(Signed) H. F. B. LYNCH.

London, May 21, 1913.

[23510] No. 220.

Sir G. Lowther to Sir Edward Grey.—(Received May 22.)

(No. 239.)

(Telegraphic.) *Constantinople, May 22, 1913.*

FOLLOWING from consular officer at Basra, 21st May:—

"The following from admiral at Colombo:—

"'Your telegram No. 33. On receipt of your telegram No. 31, "Alert" was

ordered to remain at Basra as long as Political Resident, Persian Gulf, considers necessary.

"(Addressed to political agent, Basra; repeated to Resident at Bushire.)'

"There seems to be some misunderstanding, as Basra is not under Bushire, and the Resident there would not be in a position to gauge the situation here."

[23513] No. 221.

Lieutenant-Colonel Sir P. Cox to Viceroy of India.—(Communicated to Foreign Office, May 22.)

(Telegraphic.) R. *Bushire, May 22, 1913.*

IN continuation of my telegram of 20th May:

Report from political agent at Bahrein, dated 18th, states that Katif and Ojair were surrendered to Bin Saud 15th May, and that Turkish garrisons, numbering between 500 and 600 men, embarked in Turkish steamer "John Scott," and arrived at Bahrein 18th May on the way to Basra.

(Addressed to India; repeated to Foreign Office; Basa nformed by mail.)

[23195] No. 222.

Foreign Office to Sir H. Babington Smith.

(Confidential.)

Sir, *Foreign Office, May 22, 1913.*

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 20th May, respecting river navigation in Mesopotamia.

I am to state, in reply, that Sir E. Grey is in consultation with the Board of Trade on the subject of your letter; that the financial operations involved in the enterprise in question will be small, and that there will probably be no public issue of shares, but that a further letter will be addressed to you shortly indicating whether it is possible, and if so to what extent, to associate the National Bank of Turkey with the enterprise in so far as banking operations may be involved.

With reference to the second paragraph of your letter, I am to observe that this particular enterprise is one in which other firms connected with shipping have evinced an interest for many years, and consequently have established a long-standing claim to special consideration on the part of His Majesty's Government.

I am, &c.
W. LANGLEY.

[23606] No. 223.

Foreign Office to Sir H. Babington Smith.

(Confidential.)

Sir, *Foreign Office, May 22, 1913.*

WITH reference to my letter of to-day's date, I am directed by Secretary Sir E. Grey to inform you that, as the result of communications which have taken place between Lord Inchcape and representatives of the Board of Trade and Foreign Office, his Lordship is desirous of entering into discussion with you on the subject of river navigation in Mesopotamia.

Lord Inchcape, who has been selected by Sir E. Grey to be the holder of a concession to be granted by the Turkish Government for the formation of a Turkish navigation company, will accordingly enter into communication with you to-morrow, and Sir E. Grey trusts that the result of the discussions may be satisfactory to both parties concerned.

I am, &c.
W. LANGLEY.

[22578] No. 224.

Foreign Office to Sir H. Babington Smith.

Sir, *Foreign Office, May 22, 1913.*

I AM directed by Secretary Sir Edward Grey to refer to recent correspondence and conversations which have taken place on the subject of the working of the oilfields in Mesopotamia.

I am to state that, in view of the stage which this question has now reached, Sir E. Grey is of opinion that it would be well to arrange that an informal conference should take place at this Office at an early date at which, besides yourself as representing the British Petroleum Company and Mr. Greenway as representing the Anglo-Persian Oil Company, representatives of this Department, the Admiralty, and the Board of Trade should be present, with a view to devise, if possible, some means of reconciling the conflicting interests of the two companies in a manner compatible with the acquisition and maintenance of British control over the working of these fields.

I am to ask whether you are willing to assent to this proposal, and to state that Sir E. Grey would suggest that the conference should meet during the course of next week.

I am, &c.
LOUIS MALLET.

[22678] No. 225.

Foreign Office to Mr. Greenway.

(Confidential.)

Sir, *Foreign Office, May 22, 1913.*

WITH reference to the letter from this Office of the 23rd ultimo, relative to the exploitation of the deposits of oil in Mesopotamia, I am directed by Secretary Sir Edward Grey to transmit to you, herewith, for your confidential information and any observations which you may have to offer, copy of a letter from the Board of Trade, as to the attitude which, in their opinion, should be adopted in the matter.*

I am, &c.
LOUIS MALLET.

[22579] No. 226.

Foreign Office to Mr. Greenway.

(Confidential.)

Sir, *Foreign Office, May 22, 1913.*

I AM directed by Secretary Sir Edward Grey to transmit to you herewith for your confidential information and any observations which you may have to offer, copy of a further despatch from His Majesty's Ambassador at Constantinople reporting a conversation which he had with the Turkish Grand Vizier on the 5th instant, relative to oilfields in Mesopotamia.†

I am to state that in view of the stage which this question has now reached, Sir E. Grey is of opinion that it would be well to arrange that an informal conference should take place at this Office at an early date at which, besides yourself as representing the Anglo-Persian Oil Company and Sir H. Babington-Smith as representing the British Petroleum Company, representatives of this Department, the Admiralty and the Board of Trade should be present, with a view to devise, if possible, some means of reconciling the conflicting interests of the two companies in a manner compatible with the acquisition and maintenance of British control over the working of these fields.

I am to ask whether you are willing to assent to this proposal and to state that Sir E. Grey would suggest that the conference should meet during the course of next week.

I am, &c.
LOUIS MALLET.

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* No. 191.

† No. 179.

PUBLIC RECORD OFFICE, LONDON

[22579] No. 227.

Foreign Office to Admiralty.

Foreign Office, May 22, 1913.

Sir,

WITH reference to Foreign Office letter of the 19th May, relative to the working of the oilfields in Mesopotamia, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a further despatch from His Majesty's Ambassador at Constantinople on the subject.*

I am to state that in view of the stage which this question has now reached, Sir E. Grey is of opinion that it would be well to arrange that an informal conference should take place at this Office at an early date at which, besides Sir H. Llewellyn-Smith as representing the Board of Trade, and representatives of your Department and of this Department, Sir H. Babington-Smith would be present on behalf of the British Petroleum Company, and Mr. Greenway on that of the Anglo-Persian Oil Company, with a view to devise, if possible, some means of reconciling the conflicting interests of the two companies in a manner compatible with the acquisition and maintenance of British control over the working of these fields.

I am to ask whether the Lords Commissioners of the Admiralty are willing to assent to this proposal, and to state that Sir E. Grey would suggest that the conference should meet during the course of next week.

I am, &c.
LOUIS MALLET.

[22579] No. 228.

Foreign Office to Board of Trade.

Foreign Office, May 22, 1913.

Sir,

WITH reference to Foreign Office letter of the 19th May, relative to the working of the oilfields in Mesopotamia, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a further despatch from His Majesty's Ambassador at Constantinople on the subject.*

I am to state that in view of the stage which this question has now reached, Sir E. Grey is of opinion that it would be well to arrange that an informal conference should take place at this Office at an early date at which, besides yourself as representing the Board of Trade, and representatives of the Admiralty and of this Department, Sir H. Babington-Smith would be present on behalf of the British Petroleum Company, and Mr. Greenway on that of the Anglo-Persian Oil Company, with a view to devise, if possible, some means of reconciling the conflicting interests of the two companies in a manner compatible with the acquisition and maintenance of British control over the working of these fields.

I am to ask whether the Board of Trade are willing to assent to this proposal, and to state that Sir E. Grey would suggest that the conference should meet during the course of next week.

I am, &c.
LOUIS MALLET.

[23195] No. 229.

Foreign Office to Board of Trade.

(Confidential.)

Foreign Office, May 22, 1913.

Sir,

WITH reference to my letter of the 20th May, I am directed by Secretary Sir E. Grey to transmit to you a copy of a letter which he has caused to be addressed to Sir H. Babington Smith respecting the interest of the National Bank of Turkey in river navigation in Mesopotamia.†

I am to express Sir E. Grey's hope that it may be found possible by Lord Incheape

* No. 179.

† No. 224.

to appoint the National Bank of Turkey as bankers of the new Company, and that an intimation to this effect may, in the course of the present negotiations, be made to his Lordship by your Department.

I am, &c.
LOUIS MALLET.

[23606] No. 230.

Minute by Mr. Parker.

Sir A. Nicolson,

I ATTENDED a meeting at the Board of Trade to-day when Lord Incheape and his solicitor, Sir Henry Johnson, were present, and discussed the proposed river navigation concession, and the distribution of capital.

I explained that Sir E. Grey would be glad if the National Bank could act as bankers of the combine; and, in the course of further discussion, when it appeared that it would be difficult to reconcile Mr. Lynch's claims in regard to participation with Lord Incheape's necessities as regards participation in order that he might have control, I enquired if this could not be arranged by allotting some of the *Turkish* shares to the National Bank, which is a Turkish institution.

Lord Incheape said he thought this would be a very good arrangement, and he asked that he might be placed in immediate communication with Sir H. Babington-Smith, as he (Lord Incheape) wants to be able to commence negotiations as to the terms of the concession as soon as possible with Hakki Pasha, rather than have to send someone out to Constantinople for this purpose.

I have accordingly prepared a draft to Sir H. Babington-Smith intimating that Sir E. Grey has selected Lord Incheape as the concessionnaire, and that he will call at the National Bank of Turkey to-morrow to discuss the financial arrangements.

The participation of the National Bank in the Turkish half of the company would in no way invalidate the British control of the enterprise as a whole.

A. P.

Foreign Office, May 22, 1913.

[23608] No. 231.

Lord Rathmore (Ottoman Railway from Smyrna to Aidin) to Mr. Maxwell.—(Received May 23.)

Winchester House, Old Broad Street, London, May 23, 1913.

My dear Maxwell,

THE letter from our agent in Constantinople, Mr. Henry Pears, which I mentioned to you in our conversation on Wednesday, was written to Mr. Barfield, our general manager in Smyrna, on the 10th instant, and referred to a conversation he had with Sir Gerard Lowther on the 6th May. In it Mr. Pears wrote that Sir Gerard, while stating that the company would have his best support for our application to the Turkish Government for an extension of the railway to Beyshehir, rather seemed to think that the moment was not altogether a favourable one for such action on his part, and that Sir Gerard suggested that if German opposition were made as to the navigation of the lake, and if we were going within their sphere, especially on the Beyshehir Lake, it might be worth while to come to some terms with the Germans respecting the same, "especially as to the navigation of the lake." I should be very much obliged if you could find out for me, confidentially, what Sir Gerard had in his mind when he spoke of coming to terms with the Germans, as I cannot myself see how his suggestion could be carried out. But it is as regards the navigation of the lake specially that I now write to you to pray for the strenuous assistance of our Foreign Office to secure for us the right of navigating Lake Egerdir, which cannot reasonably, as seems to me, be longer refused to my company, for whatever may be said as to the further extension to the territory about Beyshehir, it cannot be denied that the extension to Lake Egerdir was granted to us for the obvious purpose of our serving the country which lies around that lake. We have been at great expense—considerably greater than was anticipated when we undertook the enterprise in carrying our line into those districts—but now that we have reached our terminus (at Egerdir) we are seriously hampered in our efforts to obtain

traffic and to serve the interest of that remote part of the country by our not being able to put proper boats upon the lake (Egerdir). The right to do so was included in our original application to the Turkish Government, but was struck out, as we understand, in deference to German opposition; and even if the present time is not, as Sir Gerard Lowther seems to think, a favourable moment to press for the whole of the further concession which we are seeking (*i.e.*, a railway to Beyshehir), it would be of the greatest importance to our company to succeed in at once obtaining that part of our present application which asks for the right to navigate Lake Egerdir. I beg you, therefore, to obtain for us the energetic interference of our Ambassador at Constantinople for the purpose of securing this small and most reasonable benefit for our company, which is really the most important British enterprise now remaining in Turkey.

May I take this opportunity of asking you to call Sir Gerard Lowther's attention (with a view to safeguarding, if necessary, our property at Smyrna) to the action that has recently been taken by the Ministry of Vakoufs of Constantinople, which makes the astounding demand upon us that we should proceed to take up the rails and pull down the buildings of our terminal station at Smyrna with a view of handing over the lands on which these works are now situated to the Evkaf, which claims the right to them as representing some member of the family of Saadi Bey, against whose unjust claims to the possession of some portions of these same premises I have before now had to request the protection of our Government.

Believe me, &c.
RATHMORE.

[23609] No. 232.

Sir H. Babington Smith to Foreign Office.—(Received May 23.)

Sir, *50, Cornhill, London, May 23, 1913.*

I BEG to acknowledge the receipt of two letters, dated the 22nd May, on the subject of river navigation in Mesopotamia.

I beg to thank Secretary Sir Edward Grey for the action he has taken, and to say that I shall have great pleasure in entering into communication with Lord Incheape on the subject of the formation of a navigation company.

I am, &c.
H. BABINGTON SMITH.

[23617] No. 233.

Sir G. Lowther to Sir Edward Grey.—(Received May 23.)

(No. 240.)
(Telegraphic.) *Constantinople, May 23, 1913.*

MY despatch No. 285.

Shaikh has written to consul from Amara asking for "orders," and threatening to take action as indicated in his interview unless he receives immediate answer. Consul has acknowledged the letter, and said that the contents are receiving attention.

[23615] No. 234.

Viscount Kitchener to Sir Edward Grey.—(Received May 23.)

(No. 55.)
(Telegraphic.) *Cairo, May 23, 1913.*

YOUR telegram No. 55 of 22nd May.

Your formula, although a distinct step in advance, is still open to certain grave objections, as it would enable the Turkish Government, if they so wished, to call upon the Egyptian Government to justify each loan in detail.

Any scheme for the economic development of Egypt must necessarily, to some extent, be liable to criticism, and if adverse influences were in the ascendant at Constantinople, the objects for which a loan was required might be contested there, and each item would then have to be bargained about separately.

This would lead to political friction, and I think it absolutely essential that such

loopholes for Turkish interference should be closed, the Egyptian Government alone having the power to decide when they consider a loan to be necessary, and for what purposes.

We should therefore prefer to omit words (R.) "for economic development of the country" (end of R.) altogether; or, if this is not possible, to substitute for them the words (R.) "which it (the Egyptian Government) considers necessary for the good of the country." (End of R.)

Should any further restriction be required, a proviso could be of course added to the effect that the proceeds of the loan were not to be expended on military or naval armaments (Sir E. Gorst's telegram No. 35 of 2nd November, 1909).

[22475] No. 235.

Sir Edward Grey to Sir G. Lowther.

(No. 222.)
(Telegraphic.) R. *Foreign Office, May 23, 1913.*

YOUR telegram No. 223 of 15th May, point 3: Temettu.

Is the note sent in to Sublime Porte the same as that enclosed in your despatch No. 89, Commercial, of 9th May, 1912?

Hakki Pasha has asked for a copy.

[23941] No. 236.

Sir Edward Grey to Mr. O'Beirne.

(No. 422.)
(Telegraphic.) *Foreign Office, May 23, 1913.*

YOUR telegram No. 195 of 21st May.

The Turkish Government requested us to lend British officials for several departments, gendarmerie, justice, public works, agriculture, &c., but we considered it undesirable that officials of one nationality should be entrusted with so many different departments, as such an arrangement might give rise to misunderstandings and might cause embarrassment to the Turkish Government. On the other hand, to refuse to afford any assistance at all would have greatly discouraged the Turkish Government, and would in all probability merely have caused them to address themselves elsewhere. We therefore have told Turkish Ambassador here that we are ready to see if a few officers can be found to undertake the duty of organising gendarmerie in the vilayets inhabited by Armenians, but that we would wish to limit our assistance to that alone. I quite agree with Minister for Foreign Affairs that a scheme of reforms should be drawn up for the Asiatic provinces of Turkey, and I would be happy to exchange views with him on the subject, but I think such exchange should take place here rather than at Constantinople. At the same time any scheme of reforms must be eventually the work of all the Powers, and could not well be put forward by three of them alone. It will take some little time to find the suitable officers for the gendarmerie, and to settle details as to contract, attributions, &c., and the loan of a few officers will not in any way affect the general question of reforms, in which I wish to act entirely in accord with Minister for Foreign Affairs.

(Repeated to Paris, No. 212, and Constantinople, No. 221.)

[24323] No. 237.

Sir Edward Grey to Sir E. Goschen.

(No. 165.)
Sir, *Foreign Office, May 23, 1913.*

I TOLD Herr von Kühlmann to-day that for some time past I had been unable to give close attention to the details of the Bagdad Railway question owing to the amount of time that I had had to give to other things, but I had now looked into the matter and I would tell him how we stood.

Five or six years ago, on the occasion of the German Emperor's visit, when he had said that it was natural for us to have a gate on the Persian Gulf, we had suggested negotiation *à quatre*, so that an agreement might be come to by Germany, France, Russia, and ourselves all together. But this had not found favour with the German

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Government. Finding that this was so, France, Russia, and ourselves had agreed that each might negotiate separately with Germany and conclude our own agreements, but on the condition that any agreement by one of us for participation in the Bagdad Railway should not become effective till the other two countries had also reached an agreement with Germany. In addition, we had agreed that none of the three of us would give consent to the 4 per cent. increase of the Turkish customs dues till the other two were ready also.

The agreement now made with Hakki Pasha had not yet been before the Cabinet and it must still be subject to confirmation there, though I had little doubt that, if the Foreign Office and India Office were both in favour of the agreement, as I believed they were, the Cabinet would sanction it. We did not regard this agreement as being dependent upon the consent of France and Russia, because it did not involve participation in the Bagdad Railway. As far as this railway was concerned, except for the small point of having two British directors on the board as a guarantee against differentiation of rates, the agreement was really self-denial. We did not even acquire the right to make the section from Basra to the Gulf: we secured only the negative guarantee that this section should not be made without our consent.

I was prepared to defend this agreement in Parliament, and to say that, if it was confirmed, we should have no interest in opposing the completion of the Bagdad Railway to Basra. Hitherto, there had been apprehension that the Bagdad Railway, completed to the Persian Gulf, might upset the *status quo* there, might displace the navigation, now in British hands, by which British trade entered Asia Minor, and transfer into other hands the whole of the trade-route from the Gulf to Asia Minor. The agreement that we had now made with Turkey would safeguard us against this.

I understood that Germany had an agreement with Turkey, under which Turkey was bound to continue the railway to the Persian Gulf, either by entrusting it to the German Company, or in some other way. I also understood that Germany was prepared not to press her claim for the continuation of the railway beyond Basra, but wished to be sure that there would be no opposition to, and indeed that every facility would be given for, its continuation to Basra. To make sure of this, Germany wished that we should instruct our delegates at the financial commission in Paris to co-operate in securing by financial arrangements the necessary guarantees. In effect, this would mean that we should actively participate in supporting the Bagdad Railway. But, as I had just explained, we were not entitled to promise support of this sort without first consulting France and Russia, and I must therefore consult them. It was also the case that we could not well promise the support of our delegates in Paris without knowing exactly what proposals were to be made for securing the necessary guarantees for the railway. I suggested that the German delegate in Paris should discuss the matter with his French and Russian colleagues, as well as with the British delegate.

Herr von Kühlmann said that the matter really turned upon the question of an indemnity rather than upon the question of an increase of the Turkish customs dues. If Turkey had to pay an indemnity, or if, instead of Turkey's paying an indemnity, the allies were to be relieved of all share in the Turkish debt, Turkey would be unable to find money for the Bagdad Railway or for anything else that was necessary to develop Asia Minor.

I said that we had originally expressed opposition to the idea of an indemnity because we thought that it was not to the advantage of any Power who had any interests in Turkey that Turkey should be left after the war in such a crippled state as to be unable to make a new start with the possessions that were left to her, but I had not lately discussed the matter. I thought that all the Powers had originally been of this opinion, but that some of them, including Austria, had since rather changed their opinion.

Herr von Kühlmann thought that it would be a pity that all agreement should be postponed till the financial question had been settled in Paris. He suggested that, instead of our promising to give support and to co-operate in securing guarantees for the Bagdad Railway, a formula might be found saying that the agreement about the railway should not come into force unless the results of the financial arrangements in Paris were satisfactory.

I said that I would think this over. I thought that there was something to be said for such a formula. It would make our agreement with Germany conditional. Germany, I understood, did not wish the agreement to be definitive till she was sure that the outcome of it would be that she would get facilities for constructing the railway as far as Basra. We, on the other hand, wished the agreement to be conditional,

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[23945] No. 237*.

Note communicated to Hakki Pasha, May 23, 1913.

Oil, concessions in Mesopotamia.

His Majesty's Government do not desire to introduce an additional point of this nature into their express conditions for assenting to the customs increase, but they rely upon the Ottoman Government to make without delay arrangements in regard to the oil wells of Mesopotamia, which will ensure British control and meet with their approval in matters of detail.

Foreign Office, May 23, 1913.

because we could not make a promise of actual support for the railway till a settlement was come to with France and Russia. The change made by the agreement would be that we should henceforth be willing to give reasonable support if France and Russia were satisfied; whereas, without the agreement with Germany, we should have said to France and Russia that, even if they were satisfied, their support must be conditional upon the making of an arrangement by Germany with us.

I observed that what I had said applied to the Bagdad Railway itself as far as Basra. I could not enter into any discussion about the Bagdad–Kanikan branch, because I understood that the arrangement come to between Germany and Russia at Potsdam involved the continuation of that branch into Persia, and from that moment the branch became a matter that specially concerned Russia, and was therefore one with which I could not deal separately at all.

Herr von Kühlmann said that he would endeavour to frame a conditional form of words.

I said that I also would think the matter over.

I am, &c.
E. GREY.

[23689] No. 238.

Sir F. Bertie to Sir Edward Grey.—(Received May 24.)

(No. 258. Confidential.)

Sir, *Paris, May 22, 1913.*

M. PICHON informed me in conversation this evening that M. Sazonof proposes that the question of the reforms to be introduced in Asia Minor shall be discussed with the Porte by the Russian, French, and British Governments.

I have, &c.
FRANCIS BERTIE.

[23340] No. 239.

Tewfik Pasha to Sir Edward Grey.—(Received May 24.)

TEVFIK PACHA présente ses compliments à Sir E. Grey, et, pour faire suite aux notes qu'il a eu l'honneur d'adresser à son Excellence au sujet de l'engagement de fonctionnaires anglais que le Gouvernement de Sa Majesté britannique veut bien prêter au Gouvernement Impérial ottoman pour la réorganisation administrative de la Turquie, s'empresse de définir les attributions des inspecteurs généraux des différentes circonscriptions de l'Empire.

Ces inspecteurs généraux auront à élaborer tous les règlements et lois pour la circonscription dont ils ont l'inspection; à assurer particulièrement la stricte application de la loi sur l'administration générale du villayet; à surveiller et contrôler les services des fonctionnaires et à adopter, après un échange de vues et une correspondance avec les Gouverneurs généraux et les commandants militaires des provinces, les mesures nécessaires pour assurer l'ordre et la tranquillité. Ils seront en même temps munis de larges pouvoirs pour l'adoption de mesures propre à favoriser le progrès de l'instruction publique et de l'agriculture en vue de développer la prospérité économique du pays.

Ambassade Impériale ottomane, Londres,
le 23 mai, 1913.

[23753] No. 240.

Anglo-Persian Oil Company to Foreign Office.—(Received May 24.)

Winchester House, Old Broad Street,
Sir, *May 23, 1913.*

I BEG to acknowledge your letters of the 22nd instant on the subject of the oil-fields in Mesopotamia.

In reply the former, I beg to state that I shall be pleased to attend the proposed

conference on any day that may be arranged during the course of next week, excepting on Monday or Saturday.

In reply to the latter, I beg to state that I am fully in accord with the views expressed by the Board of Trade, and have no doubt that my board would be quite agreeable to allowing the competing interests to subscribe for (say) 40 per cent. proportion of the capital that might be required to work the Mesopotamian oil concession, provided that satisfactory arrangements can be made for preventing that proportion from being increased in the future, and for the permanent maintenance of control by us.

I have, &c.
C. GREENWAY,
Managing Director.

[24056] No. 241.

Memorandum communicated on May 24, 1913, by Hakki Pasha, suggesting form of Reply to Points 4 and 5 of his Highness's Memorandum of May 1, 1913.

4. LE Gouvernement de Sa Majesté britannique admet, en principe, l'abolition des bureaux de poste anglais existants en Turquie. En fait, cette abolition ne peut avoir lieu que si les autres bureaux étrangers sont en même temps abolis et si les postes ottomanes offrent au commerce anglais les garanties de sûreté et de régularité désirables. Le Gouvernement anglais est prêt à entrer en négociations avec la Sublime Porte pour les améliorations à apporter au régime postal ottoman afin de rendre possible l'abolition des bureaux étrangers, pourvu que les autres États intéressés aussi y prennent part.

Toutefois, le Gouvernement anglais, appréciant que dans l'état des choses actuel, des revenus postaux devant revenir au Trésor ottoman, se trouvent être perçus par des bureaux étrangers, déclare n'avoir pas d'objection à prescrire à ses bureaux de poste en Turquie l'usage de timbres ottomans si tous les États intéressés se trouvent d'accord pour les conditions d'un tel usage.

5. En ce qui concerne les Capitulations, le Gouvernement de Sa Majesté britannique fait d'abord remarquer que les parties commerciales et financières de ces anciens traités ayant fait l'objet d'autres accords, il ne peut s'agir en l'espèce que de leurs parties juridictionnelles. Comme le Gouvernement ottoman lui-même ne demande qu'une étude de la question, le Gouvernement de Sa Majesté britannique se déclare prêt à nommer des délégués à une commission purement de juristes où tous les États ayant des Capitulations à eux propres devront être représentées et qui sera chargée d'étudier soit les mesures propres à assurer l'abolition des parties susénoncées, soit les améliorations successives qu'on peut apporter à la situation actuelle.

(*Note.*—Compare annexed Austro-Turkish Protocol of the 26th February, 1909, and Turco-Italian Treaty of Peace signed at Lausanne on the 18th October, 1912.)

Annex No. 1.

Austro-Turkish Protocol.

LE Gouvernement Impérial et Royal commun d'Autriche-Hongrie et le Gouvernement Impérial ottoman, désirant donner, d'un commun accord, une solution à certaines questions pendantes entre eux, les soussignées :

Jean Marquis Pallavicini, Ambassadeur extraordinaire et plénipotentiaire d'Autriche-Hongrie ; et

Hussein Hilmy Pacha, Grand-Vézir, et Gabriel Effendi Noradounghian, Ministre ad intérim Impérial ottoman des Affaires Étrangères ;

dûment autorisés par leurs Gouvernements respectifs, sont convenus des stipulations suivantes :—

ARTICLE Ier.

L'Autriche-Hongrie déclare renoncer d'une façon expresse à tous les droits qui lui ont été conférés par rapport à l'ancien sandjak de Novi-Bazar par le Traité de Berlin et la Convention de Constantinople du 21 avril, 1879.

ARTICLE 2.

La Convention du 21 avril, 1879, ainsi que la protestation de la Sublime Porte contre la décision du Gouvernement commun d'Autriche-Hongrie, concernant la Bosnie et l'Herzégovine et toutes les autres dispositions ou stipulations existant entre les Hautes Parties contractantes, et contraires à cette décision, sont abrogées et remplacées par le présent Protocole, qui constate que toute divergence au sujet de ces deux provinces est aplanie entre elles et que le Gouvernement ottoman reconnaît d'une façon expresse le nouvel état de choses en Bosnie-Herzégovine créé par la dite décision.

ARTICLE 3.

Les originaires de la Bosnie et de l'Herzégovine qui se trouvent actuellement en Turquie—à l'exception des personnes indiquées dans les notes qui seront échangées entre les Parties Contractantes lors de la ratification du présent Protocole—ainsi que les sujets ottomans originaires des différentes parties de l'Empire ottoman de passage ou en résidence fixe en Bosnie-Herzégovine, continueront à conserver leur nationalité ottomane comme par le passé.

Les habitants de la Bosnie et de l'Herzégovine domiciliés dans ces provinces seront libres d'émigrer dans l'Empire ottoman en se conformant, comme auparavant, aux lois de la Bosnie et de l'Herzégovine, et ils seront admis en Turquie comme Ottomans. Ceux-ci de même que les originaires de la Bosnie et de l'Herzégovine qui se trouvent actuellement en Turquie auront toujours le droit de disposer pleinement de leurs immeubles sis en Bosnie et en Herzégovine, de les affermer ou de les administrer directement par eux-mêmes ou par des tiers.

Il est entendu que les originaires de la Bosnie et de l'Herzégovine qui, sans esprit d'émigration, se rendraient désormais en Turquie, y seront traités sur le même pied que les sujets autrichiens ou hongrois.

ARTICLE 4.

La liberté et la pratique extérieure du culte musulman seront assurées, comme par le passé, aux personnes habitant ou séjournant en Bosnie et en Herzégovine.

Les Musulmans continueront à jouir des mêmes droits civils et politiques que tous les habitants de la Bosnie et de l'Herzégovine appartenant à d'autres cultes.

Le nom de Sa Majesté Impériale le Sultan comme Khalife continuera à être prononcé dans les prières publiques des Musulmans.

Les droits des fondations pieuses ("vakoufs") seront respectés, comme par le passé, et aucune entrave ne sera apportée aux rapports des Musulmans avec leurs chefs spirituels, qui dépendront comme toujours du Cheik-ul-Islamat à Constantinople, lequel donnera l'investiture au Reis-ul-Ulema.

ARTICLE 5.

Une décision arbitrale ayant constaté de plus que, d'après le Code Foncier ottoman, l'État ottoman possédait en Bosnie-Herzégovine des biens immeubles de diverses natures, le Gouvernement commun d'Autriche-Hongrie s'engage à payer à Constantinople, dans un délai de quinze jours, qui suivront la ratification du présent protocole, au Gouvernement ottoman, une somme de £T. 2,500,000 en or comme contrevaleur de ces biens immeubles.

ARTICLE 6.

L'Autriche-Hongrie s'engage à conclure avec la Turquie, dans un délai de deux ans à compter de la date de la ratification du présent protocole, sur la base du droit public européen, un traité de commerce qui sera mis en vigueur en tant que les autres traités de commerce de la Sublime Porte seront conclus et mis en vigueur sur la même base.

En attendant, l'Autriche-Hongrie consent, après un délai de quinze jours à partir de la ratification du présent Acte, à l'élévation de 11 à 15 pour cent des droits de douane *ad valorem* en Turquie ; ainsi qu'à l'établissement de nouveaux monopoles ou au prélèvement de surtaxes de consommation sur les cinq articles suivants : pétrole, papier à cigarettes, allumettes, alcools, cartes à jouer, tout cela à condition qu'un même traitement soit appliqué simultanément et sans distinction aux importations des autres pays.

En tant qu'il s'agit de l'importation d'articles faisant l'objet d'un monopole,

l'administration de ces monopoles est tenue de se fournir d'articles de provenance autrichienne ou hongroise suivant le pourcentage établi sur la base de l'importation annuelle de ces mêmes articles, pourvu que les prix à offrir pour la livraison des articles de monopole se conforment à la situation du marché au moment de l'achat, tout en prenant en considération les qualités des marchandises à fournir et la moyenne des prix, qui ont été notés dans les trois dernières années pour lesdites qualités.

Il est, en outre, entendu que si la Turquie, au lieu d'établir de nouveaux monopoles, sur les cinq articles susmentionnés, se décidait à les frapper de surtaxes de consommation, ces surtaxes seraient imposées dans la même hauteur aux produits similaires de la Turquie et de toute autre nation.

ARTICLE 7.

Reconnaissant le droit régalien du Gouvernement ottoman sur le service des postes, le Gouvernement commun d'Autriche-Hongrie s'engage à supprimer, dès la ratification du présent Acte, les offices postaux Impériaux Royaux fonctionnant actuellement en Turquie dans des localités où il n'existe pas d'autres bureaux de poste étrangers. Il s'engage, en outre, à supprimer également les autres offices postaux Impériaux Royaux dans l'Empire ottoman au fur et à mesure que les Puissances ayant des bureaux de poste en Turquie auront supprimé les leurs.

ARTICLE 8.

La Sublime Porte se proposant d'ouvrir en Conférence européenne ou autrement avec les Grandes Puissances intéressées des négociations en vue de faire cesser le régime capitulaire en Turquie en le remplaçant par le régime du droit international, l'Autriche-Hongrie, en reconnaissant le bien-fondé de ces intentions de la Sublime Porte, déclare dès maintenant vouloir lui prêter à cet effet son plein et sincère appui.

ARTICLE 9.

Le présent Protocole sera ratifié et entrera en vigueur immédiatement après l'échange des ratifications. Les ratifications en seront échangées à Constantinople aussitôt que faire se pourra et au plus tard dans deux mois.

Fait en double expédition à Constantinople, le 26 février, 1909.

(L.S.) PALLAVICINI, *m. p.*
(L.S.) H. HILMY, *m. p.*
(L.S.) GABRIEL NORADOUNGHIAN *m. p.*

Annex No. 2.

Extract from the "Italie" of October 19, 1912.

AUJOURD'HUI, le 18 octobre, à Ouchy, les plénipotentiaires italiens et les plénipotentiaires turcs, le Sultan ainsi que le Roi d'Italie ayant émané les décrets et rempli les actes qui avaient été convenus, signent le traité de paix, qui prendra le nom de Traité de Lausanne.

La réunion entre les plénipotentiaires dans ce but a commencé à 3 heures de l'après-midi.

Voici le texte intégral du traité :—

"ARTICLE 1er.

"Les deux Gouvernements s'engagent à prendre, immédiatement après la signature du présent traité, les dispositions nécessaires pour la cessation immédiate et simultanée des hostilités. Des commissaires spéciaux seront envoyés sur les lieux pour assurer l'exécution des susdites dispositions.

"ARTICLE 2.

"Les deux Gouvernements s'engagent à donner immédiatement après la signature du présent traité, l'ordre de rappel de leurs officiers, de leurs troupes, ainsi que de leurs

fonctionnaires civils, respectivement le Gouvernement ottoman de la Tripolitaine et de la Cyrénaïque, et le Gouvernement italien des îles qu'il a occupées dans la Mer Égée.

"L'effective évacuation des îles susdites par les officiers, les troupes et les fonctionnaires civils italiens aura lieu immédiatement après que la Tripolitaine et la Cyrénaïque auront été évacuées par les officiers, les troupes et les fonctionnaires civils ottomans.

"ARTICLE 3.

"Les prisonniers de guerre et les otages seront échangés dans le plus bref délai possible.

"ARTICLE 4.

"Les deux Gouvernements s'engagent à accorder pleine et entière amnistie, le Gouvernement Royal aux habitants de la Tripolitaine et de la Cyrénaïque, et le Gouvernement Impérial aux habitants des îles de la mer Égée sujettes à la souveraineté ottomane, lesquels aient pris part aux hostilités ou qui se seraient compromis en leur occasion, sauf les crimes de droit commun. En conséquence, aucun individu de quelque classe ou condition qu'il soit ne pourra être poursuivi ou troublé dans sa personne ou ses biens ou dans l'exercice de ses droits en raison de ses actes politiques ou militaires ou bien des opinions qu'il aurait exprimées pendant les hostilités. Les personnes détenues et déportées de ce fait seront immédiatement remises en liberté.

"ARTICLE 5.

"Tous les traités, conventions et engagements de tout genre, espèce et nature, conclus ou en vigueur entre les deux hautes parties contractantes antérieurement à la déclaration de la guerre, seront remises immédiatement en vigueur et les deux Gouvernements seront placés l'un vis-à-vis de l'autre, ainsi que les sujets respectifs, dans la situation identique dans laquelle ils se trouvaient avant les hostilités.

"ARTICLE 6.

"L'Italie s'engage à conclure avec la Turquie, en même temps qu'elle renouvellera ses traités de commerce avec les autres Puissances un traité de commerce sur la base du droit publique européen, c'est-à-dire qu'elle consent à laisser à la Turquie toute son indépendance économique et le droit d'agir en matière commerciale et douanière à l'instar de toutes les Puissances européennes et sans être liée par les Capitulations et d'autres actes à ce jour. Il est bien entendu que ledit traité de commerce ne sera mis en vigueur qu'en tant que seront mis en vigueur les traités de commerce conclus par la Sublime Porte avec les autres Puissances sur la même base.

"En outre, l'Italie consent à l'élévation de 11 pour cent à 15 pour cent des droits de douane *ad valorem* en Turquie, ainsi qu'à l'établissement de nouveaux monopoles ou au prélèvement de surtaxes de consommation sur les cinq articles suivants : pétrole, papier à cigarettes, allumettes, alcool, cartes à jouer. Tout cela à la condition qu'un même traitement soit appliqué simultanément et sans distinction aux importations des autres pays.

"En tant qu'il s'agit de l'importation d'articles faisant l'objet d'un monopole, l'administration de ces monopoles est tenue de se fournir d'articles de provenance italienne suivant le pourcentage établi sur la base de l'importation annuelle de ces mêmes articles, pourvu que les prix à offrir pour la livraison des articles de monopole se conforment à la situation du marché au moment de l'achat tout en prenant en considération les qualités des marchandises à fournir et la moyenne des prix, qui ont été notés dans les trois années précédentes à celle de la déclaration de la guerre pour lesdites qualités.

"Il est en outre entendue que, si la Turquie, au lieu d'établir des nouveaux monopoles sur les cinq articles susmentionnés, se décidait à les frapper de surtaxes de consommation, ces surtaxes seraient imposées dans la même mesure aux produits similaires de la Turquie et de toute autre nation.

"ARTICLE 7.

Le Gouvernement italien s'engage à supprimer les bureaux de poste italiens fonctionnant dans l'Empire ottoman en même temps que les autres États ayant des bureaux de poste en Turquie supprimeront les leurs.

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"ARTICLE 8.

La Sublime Porte se proposant d'ouvrir, en conférence européenne ou autrement avec les Grandes Puissances intéressées, des négociations en vue de faire cesser le régime capitulaire en Turquie, en le remplaçant par le régime du droit international, l'Italie, en reconnaissant le bien-fondé de ces intentions de la Sublime Porte, déclare dès maintenant vouloir lui prêter à cet effet son plein et sincère appui.

"ARTICLE 9.

"Le Gouvernement ottoman, voulant témoigner de sa satisfaction pour les bons et loyaux services qui lui ont été rendus par les sujets italiens employés dans les administrations et qu'il s'était vu forcé de congédier lors des hostilités, se déclare prêt à les rétablir dans la situation qu'ils avaient quittée.

"Un traitement de disponibilité leur sera payé pour les mois passés hors d'emploi, et cette interruption de service ne portera aucun préjudice à ceux parmi ces employés qui auraient droit à une pension de retraite.

"En outre, le Gouvernement ottoman s'engage à user de ses bons offices auprès des institutions avec lesquelles il est en rapport (Dette publique, Sociétés de Chemins de fer, banques, &c.), pour qu'il en soit agi de même envers les sujets italiens qui étaient à leur service et qui se trouvent dans des conditions analogues.

"ARTICLE 10.

"Le Gouvernement italien s'engage à verser annuellement à la caisse de la Dette publique ottomane pour compte du Gouvernement Impérial une somme correspondant à la moyenne des sommes qui dans chacune des trois années précédentes à celle de la déclaration de la guerre ont été affectées au service de la Dette publique sur les recettes des deux provinces. Le montant de la susdite annuité sera déterminé d'accord par deux commissaires nommés l'un par le Gouvernement Royal, l'autre par le Gouvernement Impérial. En cas de désaccord, la décision sera remise à un collège arbitral composé des susdits commissaires et d'un surarbitre nommé d'accord entre les deux parties. Si l'accord ne s'établit pas à ce sujet, chaque partie désignera une Puissance différente et le choix du surarbitre sera fait de concert par les Puissances ainsi désignées.

"Le Gouvernement Royal ainsi que l'Administration de la Dette publique ottomane, par l'entremise du Gouvernement Impérial, auront la faculté de demander la substitution de l'annuité susdite par le payement de la somme correspondante capitalisée au taux du 4 pour cent.

"Pour ce qui se réfère au précédent alinéa le Gouvernement Royal déclare de reconnaître dès à présent que l'annuité ne peut être inférieure à la somme de 2,000,000 de livres italiennes et qu'il est disposé à verser à l'Administration de la Dette publique la somme capitalisée correspondante, aussitôt que demande en sera faite.

"ARTICLE 11.

"Le présent traité entrera en vigueur le jour même de sa signature.

"En foi de quoi les plénipotentiaires ont signé le présent traité et y ont apposé leurs cachets.

"PIETRO BERTOLINI.
"GUIDO FUSINATO.
"GIUSEPPE VOLPI.
"MEHEMMED NABY.
"ROUMBEYOGLOU FAHREDDIN.

"*Lausanne, le 18 octobre*, 1912."

[21451] No. 242.

Sir Edward Grey to Tewfik Pasha.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Turkish Ambassador and has the honour to acknowledge the receipt of his Highness's communications of the 24th ultimo and 15th instant conveying a request from the Ottoman Government for the services of certain British officials to assist in the introduction of reforms into the administration of Eastern and Northern Anatolia.

Sir Edward Grey hastens to assure Tewfik Pasha of the earnest desire of His Majesty's Government to assist, so far as lies in their power, the Ottoman Government in the realisation of these excellent intentions and to do all that is possible to facilitate the task.

His Majesty's Government are, however, loth to lead the Ottoman Government to take any step which might involve them in difficulties with other Governments, and fear that the engagement of subjects of a single Power to fill posts in so many branches of the administration might have the effect of causing to the Turkish Empire embarrassments of this nature. They are further of opinion that, in view of the fact that the employment of such officials must at first be in the nature of an experiment, it would be safer, in the first instance, to limit it to a comparatively small area, such, for example, as the seven vilayets forming the proposed northern and eastern secteurs, where, on account of the local ethnographical conditions, reforms are more urgently needed than in the rest of the Empire.

His Majesty's Government would therefore consider it advisable to limit their assistance to the provision of inspectors and officers of gendarmerie in the two secteurs mentioned in Tewfik Pasha's earlier note.

His Majesty's Government think that an inspector-general attached to the Ministry of the Interior, who would serve as a channel of communication between the Central Government and the local inspectors of gendarmerie, might prove sufficient without the appointment, in addition, of an adviser to the same Ministry.

His Majesty's Government would be happy to consider the question of recommending British officials to fill the posts of inspector-general at the Ministry of the Interior, of inspectors of gendarmerie, and of officers of gendarmerie.

Foreign Office, May 24, 1913.

[23485] No. 243.

Mr. Parker to Mr. Lynch.

Dear Mr. Lynch, *Foreign Office, May 24, 1913.*

YOUR letter of the 21st May, enclosing a statement about the river navigation in Mesopotamia, was duly submitted to Sir E. Grey.

I am now to inform you that Sir E. Grey had already had Lord Inchcape's name under consideration, and he is happy to find that in selecting him as the concessionnaire your wishes will be met.

After the Board of Trade have had an opportunity of considering your proposals, and discussing them with your manager as you have requested, they will no doubt be prepared to arrange a meeting between you and Lord Inchcape.

I am to request that you will be so good as to keep the selection of Lord Inchcape as concessionnaire confidential for the present.

I am, &c.
ALWYN PARKER.

[22311] No. 244.

Foreign Office to India Office.

Sir, *Foreign Office, May 24, 1913.*

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 13th instant relative to the selection of a site for the second lighthouse under provision for the Persian Gulf.

I am to inform you in reply that, subject to the consent of the Lords Commissioners of the Admiralty, to whom, as Sir E. Grey notes, a copy of your letter has been communicated, he concurs in the proposal of the Marquess of Crewe to inform the Government of India immediately that Little Quoin has been selected as the site of the lighthouse and that work may proceed accordingly.

A copy of this letter has been communicated to the Admiralty.

I am, &c.
LOUIS MALLET.

[23816] No. 245.

Sir G. Lowther to Sir Edward Grey.—(Received May 26.)

(No. 442.)

Sir, *Constantinople, May* 13, 1913.

I HAVE the honour to forward herewith a despatch from His Majesty's consul at Basra, reporting on a demonstration against certain gendarmerie officers, which appears to have taken the form of an ultimatum delivered to the vali by the Arab notables. Mr. Crow has since reported by telegram that the Government have consented to dismiss the officers in question.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 245.

Consul Crow to Sir G. Lowther.

(No. 21.)

Sir, *Basra, April* 26, 1913.

THE Arab notables of Basra and other representatives of the Moslem community visited the Serai on the 23rd April in considerable numbers, and tendered the acting vali certain demands in a form which was almost equivalent to an ultimatum. The demonstration was made at the instance of Seyyed Talib Bey, who did not himself accompany the petitioners. It was pointed out to the vali that the state of insecurity which prevailed was almost without precedent. Murders, robberies, and crimes of every description were perpetrated daily, and the culprits remained uncaught and unpunished. The gendarmerie force in the vilayet was lamentably insufficient, consisting in all of 180 men, of whom sixty only were stationed in Basra. The steps taken by the local authorities to check crime and maintain public order were wholly inefficient; the gendarmes themselves were accused of indifference, and in some cases, of participation in the offences committed; they levied illegal tolls at their various river stations on passengers and goods proceeding by boat from Kurna to Pao. Complaints against them were disregarded. The commander of gendarmes at Abul Khassib was accused of plundering a shop in the daytime on the pretext of searching for smuggled goods, and the chief of gendarmerie at Basra had not attempted to investigate the complaint or punish the culprit. A fisherman had been shot purposely by a gendarme at Kaghil; no punishment had been inflicted on the murderer. It was reported as an accident, and the affair was closed.

On account of these and similar grievances the notables, who stated that they represented the whole population of Basra, formally demanded the expulsion in two days' time of the commander of gendarmes, Akif Bey, of the Tabour commandant of gendarmes, Hassein Hejrani Effendi, and of the Lieutenant Ibrahim Effendi, commanding the gendarmes at Abul Khassib, alleging that these officers were incapable of suppressing crime, and were themselves intriguing among the people, and causing discontent, and had lately formed a secret league entitled "Namusli Quvvett"—"Force with Honour"—of which they were members, together with certain other persons unnamed, whose removal would be demanded later. The notables added that, if the Turkish Government wanted the sympathy of the people, the officers mentioned must be immediately removed, but if they went against the people, and allowed the officers to remain, the Government must take the consequences. The Arabs would drive away the Turkish police and gendarmes, and take measures themselves for preserving public order.

The acting vali replied that this amounted to an ultimatum, which he could not accept, and asked for a few days' respite to report the matter to Constantinople. The notables agreed to let matters stand for a few days, but threatened to forcibly expel the officers if they were not removed next week.

There is also some excitement at Zobeir, where a rumour arose that the sons of Abdullah-el-Ibrahim, formerly Sheikh of Zobeir, were marching from Koweit to attack the town. A crowd assembled in the streets, and sang their "Hosa," or Arab warsong, the movement being headed by their Sheikh Mishari and Mohammed-el-Esayai. Some even threatened to march to Basra, in order to maintain the Constitution or defend the town. It is not clear which, and it does not seem to matter. The general impression at Basra undoubtedly is that the discredited officers of gendarmerie, aided by Esayai, who is a well-known intriguer, and bears Seyyed Talib a grudge, arranged this popular demonstration of patriotic feeling at Zobeir in order to divert attention from the more serious complaints raised against themselves. The acting vali at once sent out a small commission of officers to enquire into the matter, and proceeded himself on a pilgrimage to Zobeir yesterday, accompanied by Lutfi Bey, the assistant vali of Bagdad, and Jemal Pasha, the inspector of gendarmerie, who are here on a tour of inspection.

These occurrences cause considerable apprehension here. The native population of Basra is alarmed and excited, and if the Arab demands are not conceded it is not improbable that a collision may occur. The frequent interruption of telegraphic communication overland with Constantinople is not reassuring, and I am informed that the wires are constantly being cut by the tribes on the Tigris, and as soon as they are repaired by the Government they are broken again.

I have, &c.
F. E. CROW.

[23617] No. 246.

Sir Edward Grey to Sir G. Lowther.

(No. 223.)

(Telegraphic.) R. *Foreign Office, May* 26, 1912.

YOUR telegram No. 240 of 23rd May: Arab unrest at Basra.

Has not consul answered sheikh as directed in my telegram No. 143 of 17th March? If not, he should do so, and he may in any case tell sheikh that I have now brought the matter to the notice of the Turkish Government unofficially, and that, though I am willing to recall their attention to it, I cannot take any more official action.

[22196] No. 247.

Sir Edward Grey to Sir G. Lowther.

(No. 224.)

(Telegraphic.) *Foreign Office, May* 26, 1913.

TEMETTU tax.

French Embassy have suggested that France, Russia, and England should stipulate that proceeds of tax on "revenus mobiliers, qui doit comprendre les patentes," must, in so far as French, Russian, and British residents are concerned, be devoted, not to special enterprises, such as the Bagdad Railway under its Conventions of June 1908 and March 1911, but to general improvement of the administration.

I think it would be invidious to single out the Bagdad Railway for special objection; but perhaps a suitable scheme of reforms for Asia Minor should be condition of our assent to temettu, the cost of such a scheme being defrayed as far as possible out of the increased taxation agreed to by the Powers.

I should like, in the first instance, to have your Excellency's observations as to whether such a condition could be added to those already made respecting the temettu.

[22802] No. 248.

Foreign Office to India Office.

Sir, *Foreign Office, May* 26, 1913.

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's Ambassador at Constantinople relative to an article

which has appeared in a Turkish newspaper on alleged British intrigues in Mesopotamia.*

I am to ask that the Marquess of Crewe's attention may be drawn to the fact that the letter which forms the basis of the article is the work of the correspondent in India of the paper in question, and I am to observe that much harm may be done to British interests by the promulgation of such unfounded statements.

I am, &c.
W. LANGLEY.

[24204] No. 249.

M. Sazonof to Count Benckendorff.—(Communicated by Russian Ambassador to Sir A. Nicolson, May 27.)

Saint-Pétersbourg, le 12 (25) *mai*, 1913.

IL est extrêmement désirable que Sir Edward Grey se rende bien clairement compte de toute l'importance pour nous de la question arménienne, tant au point de vue de notre situation intérieure au Caucase qu'à celui de nos intérêts dans les régions limitrophes turques. Dès le début de la crise balkanique nos efforts constants ont tendu à conjurer le danger d'une conflagration en Asie Mineure. Si cette tâche nous a jusqu'ici réussi, ce n'est que grâce aux promesses constamment renouvelées aux Arméniens que la Russie veille à leurs intérêts et que, le moment venu, elle prendrait en main la question des réformes, en y associant les Puissances alliées et amies. Au lieu d'observer avec inquiétude toute action qui lui semble de nature à pouvoir restreindre ses prérogatives, la Turquie devrait aller au-devant du danger le plus imminent—celui de voir surgir à nos confins des complications sérieuses, qui, bien entendu, ne pourraient pas nous laisser indifférents. Nous avons un intérêt commun avec la Turquie de prévenir pareilles éventualités. Dans la disposition actuelle d'esprit des Arméniens, le seul moyen pacifique qui puisse conjurer le danger d'un soulèvement général est l'introduction des réformes garanties soit par la Russie seule, soit conjointement avec l'Angleterre et la France. La Turquie se trouve de nouveau devant le dilemme, ou bien de conserver intacte son intégrité territoriale en se désistant de la plénitude d'un pouvoir arbitraire, ou bien de rester sourde aux leçons qu'elle vient de subir. Il faut noter la différence essentielle entre le caractère des réformes en Europe et celles projetées pour les vilayets arméniens. Si les Turcs avaient des raisons pour estimer que l'autonomie de la Macédoine n'était qu'une étape vers la perte de cette région, il en est bien autrement pour des réformes dans les vilayets d'arméniens, qui, même dans les rêves des exaltés, ne sauraient aboutir à l'autonomie d'un peuple arménien, partout en minorité.

Veuillez faire part de ces considérations à Sir Edward Grey. Nous espérons qu'il voudra bien comprendre que, quelque désireux que nous soyons de déférer à son projet de choisir Londres pour lieu de pourparlers entre l'Angleterre, la France et la Russie, des raisons d'ordre politique et pratique nous obligent à préférer Constantinople, où les Ambassadeurs, mieux renseignés et en contact avec la Porte et les Arméniens, seraient plus à même de remplir la tâche qui leur incombera. Quant à la crainte que la Turquie puisse s'adresser à une autre Puissance, il nous semble qu'une explication franche et cordiale avec la Sublime Porte pourrait lui faire comprendre qu'il lui appartient de choisir entre une coopération avec nous, basée sur une communauté d'intérêts, ou bien de voir la Russie déliée de tout engagement et appliquée à la sauvegarde de ses intérêts dans la mesure appropriée aux circonstances.

(Répété à Paris.)

[24204] No. 250.

Mr. O'Beirne to Sir Edward Grey.—(Received May 27.)

(No. 197.)
(Telegraphic.) *St. Petersburgh, May* 26, 1913.

REFORMS in Asiatic Turkey.

I read to the Minister for Foreign Affairs to-day your telegram No. 422 of 23rd May. He said that he had already telegraphed to the Russian Ambassador in London reasons which made it entirely impossible for him to modify his objections to

* No. 196.

the proposed employment of British officers in the reorganisation of the gendarmerie in the Armenian vilayets.

Speaking of the special position occupied by Russia in those districts, he stated that some time ago representatives of Armenians had approached the Russian Government with a request for the annexation of Turkish Armenia to Russia. He had replied that there could be no question of annexation, but that Russia would see that effective reforms were carried out. Russia was therefore under peculiar obligations to the Armenians, and she could not play second violin in this matter.

I asked what his Excellency proposed to do if Turkey refused to employ Russian officers. He replied that there need not be only Russian officers. He did not wish to have Germans in those regions, but there might be some French and British officers. However, he had not thought out this point, and did not wish to pronounce upon it. If Turkey altogether refused to employ foreign officers he would intimate to her that the result would certainly be disorders and massacres of Armenians, in which case Russia would intervene. He added that Russia would certainly not repeat former mistake of remaining passive in the presence of Armenian massacres, and said that Armenians could not continue to live under fear of such occurrences.

Minister for Foreign Affairs was equally decided about necessity for general question of reforms being discussed in Constantinople. He said that Ambassadors were in touch with the Armenians, which was indispensable, and that they had information as to the local conditions which was not available in London.

[24313] No. 251.

Sir G. Lowther to Sir Edward Grey.—(Received May 27.)

(No. 245.)
(Telegraphic.) *Constantinople, May* 27, 1913.

YOUR telegram No. 223 of 26th May: Arab unrest at Basra.

Consul answered sheikh as directed (see paraphrase of his telegram No. 14 in my despatch No. 231). I am instructing him that he may now make further communication outlined in your telegram under reply.

According to information received by the consul-general at Bagdad, the sheikh's uncle is not dead.

[24318] No. 252.

Sir G. Lowther to Sir Edward Grey.—(Received May 27.)

(No. 246.)
(Telegraphic.) R. *Constantinople, May* 27, 1913.

YOUR telegram No. 224 of yesterday.

Note containing our assent to application of temettu with reserves was sent in on 14th March and a reply actually received to-day, which will require study.

Fresh stipulations to our acceptance could thus hardly now be added without having the appearance of breach of faith.

[24348] No. 253.

Sir G. Lowther to Sir Edward Grey.—(Received May 28.)

(No. 454.)
Sir, *Constantinople, May* 24, 1913.

I HAVE the honour to forward herewith a despatch from His Majesty's vice-consul at Van, reporting on the union of the different Armenian parties in his district.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 253.

Vice-Consul Molyneux-Seel to Sir G. Lowther.

(No. 11.)

Sir, *Van, May 8, 1913.*

I HAVE the honour to inform your Excellency that, presumably as a development resulting from the recent visit of Vramian, the Taschnakist leader, to Tiflis, and his interview with the Russian authorities, the various Armenian political parties at Van have agreed to sink their differences, and to act together. The general bases of this *entente* are:—

1. The arming of the Armenian nation under the direction of the Taschnakists; and

2. That all political action to be undertaken shall receive the approval and assent of all the parties.

The following is a translation of a telegram sent on the 25th April to the Prime Minister, and a copy to the Armenian patriarch, signed by the Taschnak, Hinchak, and Ramgavar committees:—

"As the result of a criminal, agitating, and foolish policy pursued towards the Armenian population, our vilayet, similarly to all the provinces inhabited by Armenians, is going at a great pace towards ruin.

"If we have kept silence up to the present moment it was on account of the war which menaced the integrity of the Empire, but to keep silence any longer would be to act contrary to the general interests of the Armenian population of the Empire.

"As regards our province, the local authorities, the gendarmerie, the police, the Tribunals, in fact, all are working together in the pursuit by every means, legal and illegal, of one end—to crush, to enfeeble, to annihilate the entire strength of the Armenian people. The laws are applied only for befriending the Kurd malefactors and striking the Armenian population. The gendarmerie and the police pretend not to see the bands of armed Kurds which infest the roads, but they confiscate a revolver found on the person of an Armenian. Our Government officials are indifferent to Turkish and Kurdish agitators who, by force and by menaces, arm the Kurd villagers and excite them against the Armenians by monstrous lies, but these same officials fill the prisons with Armenians who are seen in the villages. The Tribunals have not arrested the real authors of the crimes committed against respectable men, such as Raphael, Yorezian, and the priest Marderos, but for months they have been torturing in the prisons innocent villagers who have had nothing to do with the assassination of a brigand like Hajji Yakoub, and have occupied their village by a company of soldiers, and terrorised the entire district. As the result of these political pursuits the number of Armenian fugitives has amounted to 100, and increases daily, thus creating an abnormal situation in this vilayet. The nightmare of armed attacks and of future calamities prevents a great number of villagers from tilling the fields, which will lead to a new scourge—famine!

"In bringing all this to the knowledge of the Cabinet and your Excellency we are performing a duty, and consider it our right to demand by prompt reforms guarantees for the honour, lives, and property of the Armenian population against the small number of "Doro-Bey" Kurds, who are the bloodsuckers also of the Kurdish population, and against the incapable and corrupt officials who protect and encourage them. If, by decisive means, your Excellency does not put an end to this disastrous régime, Anatolia will not be able to escape the disasters which have overtaken Roumelia."

I have, &c.
J. MOLYNEUX-SEEL.

[24349] No. 254.

Sir G. Lowther to Sir Edward Grey.—(Received May 28.)

(No. 455.)

Sir, *Constantinople, May 24, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's consul-general at Smyrna, reporting further on the progress of the reform movement since his despatch enclosed in my despatch No. 409 of the 13th instant.

A copy of this despatch has been sent to His Majesty's agent and consul-general at Cairo.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 254.

Consul-General Cumberbatch to Sir G. Lowther.

(No. 30.)

Sir, *Beirout, May 13, 1913.*

WITH reference to the last paragraph of my despatch No. 26 of the 28th April, in which I refer to the efforts being made by Government agents to sow discord between the Moslems and Christians in the hopes of weakening the reform campaign, and at the same time of paving the way for the return of Unionist candidates to Parliament when it should meet, I have the honour to report that the only case in which they appear to have succeeded is with the "Metwalis" (Shiites) of Sidon, concerning whom Mr. Vice-Consul Abela reports that, owing to clever manœuvring on the part of the authorities, the chiefs of these unruly tribes, who have hitherto sided with the Reformers, have been prevailed upon to present an address to the vali deprecating and disapproving the action of the Reformers at Beirout, and expressing themselves satisfied with the reforms proposed by the Government. The Government has on its side promised—

1. To recognise the claim of this sect to form a community apart from the "Sunnite" Moslems with a separate mufti as their religious head.

2. To give them a share in Government offices proportionate to their number in Djebel Amel, the district inhabited by them, to which will be added a small portion of the Sidon Caza.

3. To make a special annual grant for their schools.

Among other Government agents reported as working against the reforms was Sheikh Abdul Jelil Effendi-el-Dora, school inspector in the Hauran, who delivered speeches in Sidon and other places decrying the Reformers as disloyal Ottomans working for foreign Governments who are "aiming at replacing the 'Minarets' of their mosques by church bell-towers," &c., &c.

He would appear to be working under the guidance of the well-known Tunisian Sheikh Abdul Aziz Chawish, whose violently worded pamphlets he distributed wherever he went.

The latter ardent and unscrupulous agent of the Unionists announced his visit to Beirout last month with the object of trying to dissuade the inhabitants from continuing their agitation for reforms, but he was given to understand that a warm but uncomfortable reception awaited him if he dared utter a word in public against reforms, and he gave this town a wide berth.

Another active and clever member of the Committee of Union and Progress is Mir Chekib Arslan, formerly Druse Kaimakam of the Shouf (Lebanon), who has been for some months giving full vent to his journalistic effusions against Europe and everything European in Egyptian papers. He has been travelling about between Constantinople and Cairo, and is now in Jerusalem. But for his belonging to the old and formerly influential Druse family of Arslans no one would listen to him, and he has no personal influence.

The efforts of these and other agents of the Unionists do not appear to be making any impression on the Arab Moslems of Syria, whilst every anti-Arab incident that occurs, or any unfriendly newspaper article that is published, only makes them more determined in their object and increases their dislike of the Turkish authorities.

One of these incidents in point is the recent removal to Constantinople of Colonel Noury Bey, Chief of the Staff of the 8th Army Corps, for the support and approval given by him to the officers of the Beirout court-martial for refusing to condemn newspaper editors and other respectable townsmen for the part played by them in the late demonstration against the Governor-General, who had already caused the members of the court-martial to be changed twice for not carrying out all his beliests.

In the meantime, Hazim Bey continues to act the part of "red rag to the bull," and every effort is being made to get him removed.

The murder last night of one of the Moslem members of the reform committee, who was arrested in connection with the demonstrations of last month, has not

improved matters, as, rightly or wrongly, the crime is liable to be attributed to a desire of the authorities to frighten others into subservience to the Unionist party.

Hazim Bey's nomination of two Arab Mutessarifs to Tripoli and Lattakia has given satisfaction in those places, as they belong to a respectable and influential family of Damascus, and lends hope to the idea of getting an Arab vali at Beirout some day.

I am, &c.
H. A. CUMBERBATCH.

[24351] No. 255.

Sir G. Lowther to Sir Edward Grey.—(Received May 28.)

(No. 457.)
Sir, *Constantinople, May 22, 1913.*

I HAVE the honour to transmit a despatch No. 12 of the 8th May from His Majesty's vice-consul at Van concerning the decentralisation or autonomist movement among the Kurds. As regards the local Turkish official version that the Kurds are being egged on in this movement by Russian officials with a view to frustrating would-be Armenian demands for autonomy, I learn from a good source that it is the Kurdish leaders themselves, who, in order to overcome the hesitation of some of their compatriots to go in for the movement, have spread among them stories that the Armenians are working for autonomy in order to get the upper hand of the Kurds. I have so far heard of no Armenian demands for reforms not compatible with Ottoman sovereignty.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 255.

Vice-Consul Molyneux-Seel to Sir G. Lowther.

(No. 12.)
Sir, *Van, May 8, 1913.*

I HAVE the honour to inform your Excellency of as much as is known of the present Kurdish unrest. The object of the movement—for there is no longer any doubt that such exists—appears to extend to the establishing of a Kurdish autonomy by revolutionary means, but in any case it may be considered as a demonstration (and may exceed those limits) against the alleged privileges to be granted to the Armenians.

The leader of the movement is said to be Abdul Rezak, who is acting in conjunction with Simko (Ismael Agha), Sheikh Taha, and Said Bey. In the case of the Kurds of the vilayets of Van and Bitlis not submitting to their orders, it is said that it has been decided that Sheikh Taha should attack the neighbourhood of Bashkala, Abdul Rezak that of Bhotan, Simko that of Serai, and Said Bey that of Archag. When Abdul Rezak visited these parts two years ago he stated his opinion that at that time it was impossible to raise the Kurds in a united revolt, but that if ever the question of an Armenian autonomy was mooted the Kurds would then unite to protect their national existence. It is therefore possible that having regard to the exaggerated reports spread among the Kurds regarding the reforms demanded and expected by the Armenians, the present moment may have been thought a favourable one for attempting a general rising of the Kurds.

As regards actual facts, agents of Abdul Rezak have penetrated and spread their propaganda in the sanjaks of Van and Hakkiari, the sheikh of Khizan, Said Ali, has been holding mysterious secret meetings, and a large meeting of sheikhs and other Kurds was held at Duluk. Some time ago Said Ali proposed to the Taschnakists that they should act together, but this at the time was not accepted.

At Chari, Simko has been collecting a number of armed Kurds, and is endeavouring to force the Turkish Kurds to arm themselves and act conjointly with him. A conflict with Simko's force is expected in a few days. Four hundred soldiers have been sent to Khanesur (on the frontier near Chari) to strengthen the loyalty of the Turkish Kurds, and more troops are expected to be sent. One company has been sent to Serai.

Turkish officials attribute the movement to the action of the Russian officials, who, they say, tell the Kurds that the Armenians demand an autonomy, and that they (the

Russians) do not wish this, and advise the Kurds to work for a Kurdish autonomy. In particular, the Russian consul at Khoi is said to openly encourage the idea among the Kurds of an autonomy.

The Turks combat this alleged Russian propaganda by telling the Kurds that Abdul Rezak, Sheikh Taha, &c., only wish to betray them into the hands of Russia in return for Russian money.

I have, &c.
MOLYNEUX-SEEL, *Captain.*

[24352] No. 256.

Sir G. Lowther to Sir Edward Grey.—(Received May 28.)

(No. 458.)
Sir, *Constantinople, May 23, 1913.*

HIS Majesty's consul at Aleppo reports that, according to advices received in the beginning of May from the acting vice-consul at Diarbekir, the situation, especially in the district to the east of that town, was distinctly threatening, several Armenians having been killed in the villages in the Silonan (Miafarkui) region. The acting vice-consul gives it as his belief that the authorities are secretly conniving at these outrages, and pretending that, in the absence of sufficient armed forces, they are unable to restrain the Kurds. Trade is at a standstill owing to the prevailing insecurity, and it would appear that the Christians of two or three villages in the Bisheri districts have fled to more central spots for safety, abandoning their property.

Mr. Holstein, the German acting vice-consul at Mosul, has recently visited Diarbekir in company with another German, and is reported in his conversation with the vali to have denounced Russophil tendencies among the Armenians and to have stated that the German Government would support Turkey in the event of any threatened danger from Russia in those districts in connection with the Kurdish movement. The German vice-consul then left for Miafarkui, whence he was to proceed to Sert and Jezireh-ibn-Omar, the Kurdish centre and rallying point of the Bederkhan Beys.

His Majesty's consul at Aleppo reports that Pastor Lohman, who is the manager of Dr. Lepsius's German orphanage at Marash, Kharput Orfa, and other Armenian centres, and is said to be a personal friend of the German Emperor, is at present touring in Silicia, where he is said to be endeavouring to enlist the good-will of the local Armenians, with a view to future German political schemes in that region.

I have, &c.
GERARD LOWTHER.

[24353] No. 257.

Sir G. Lowther to Sir Edward Grey.—(Received May 28.)

(No. 459.)
Sir, *Constantinople, May 24, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's consul-general at Beirout containing observations on the members of the Arab-Syrian Congress in Paris.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 257.

Consul-General Cumberbatch to Sir G. Lowther.

(No. 10.)
Sir, *Beirout, May 14, 1913.*

REFERRING to the announcement in the newspapers of a Congress in Paris of Arabs and Syrians with a view to discussing the introduction of reforms in Syria, &c., I have the honour to submit the following short notes on the members of the executive committee in Paris so far as their names are known here:—

1. *Shukri Ganem (Maronite).*—Native of Beirout. Has been some time in Paris. Is clever and well educated. Has literary and journalistic talents.

2. *Nadra Moutran* (*Greek Catholic*).—Member of well-known family of Baalbek. Very clever and sharp.

3. *Abdul Ganí Arvesi* (*Moslem*).—Native of Beirout; clever and intelligent. Has connections with the press.

4. *Aouni Abdul Hadi* (*Moslem*).—Belongs to an influential family of Nablus. Clever and active.

5. *Djemeel Malouf* (*Greek Catholic*).—Native of Zahlé (Lebanon). One of the cleverest in the committee. Has strong literary tastes.

6. *Mohamed Mohmessani* (*Moslem*).—Native of Beirout: law student.

7. *Charles Debbass* (*Greek Orthodox*).—Belongs to Beirout; successful in journalism.

8. *Djemil Merdan Bey* (*Moslem*).—Son of one of the richest and most influential men of Damascus. Has always had very outspoken liberal ideas.

With one or two exceptions they are all young men of whom much is expected.

From the circular published by this committee it would appear that the four main points to be submitted for discussion are:—

1. The national life in Turkey and the opposition to any foreign occupation.
2. The rights of the Arabic-speaking peoples in Turkey.
3. The necessity of introducing reforms in the country on the basis of decentralisation.
4. The emigration from and immigration to Syria.

From Ministerial utterances reported in the papers of the capital it would appear that the Government is disposed to take a more serious view of the reform movement than it was led to adopt at first by the misleading reports of the Governor-General, who insisted upon the Beirout manifestations being the work of a handful of bad characters desirous of creating a pretext for foreign intervention, and that only a small minority of shopkeepers and business men had joined them.

On the other hand, the sudden stoppage last week of the elections to the general councils of the vilayet, under the new law on the vilayets, on the pretext of awaiting instructions from Constantinople as to the procedure to be followed gives rise to much adverse comment, it being suggested that the Government foresee the return of "reformers" who are now classed as belonging to the opposition or "ententiste" party.

I have, &c.
H. A. CUMBERBATCH.

[24355] No. 258.

Sir G. Lowther to Sir Edward Grey.—(*Received May* 28.)

(No. 461.)

Sir, *Constantinople, May* 24, 1913.

I HAVE the honour to report that the principal Turkish organs have recently indulged in somewhat severe criticisms of the desiderata formulated by France as conditions to her assent to the levying of the temettu tax and the additional 4 per cent. customs duties—desiderata which have been partially published in the "Echo de Paris."

The "Tanin" takes strong exception to the French demands regarding schools and charitable institutions in Turkey, as also to the French claim that Tunisians and Algerians should enjoy capitulary rights in Turkey. The "Tanin" contends that the Capitulations were started for Europeans, and cannot be applicable for Asiatics and Africans. This, it says, is Europe's theory, not Turkey's, and Europe ought to remain loyal to her own theory. As the "Tanin's" contention has recently been admitted by His Majesty's Government in the case of the inhabitants of the Bahrein Islands, it would seem that the Turkish Government will adhere to the same theory in the case of Algerians, Tunisians, and especially Moroccans.

As regards the French demands in the matters of Syrian and Black Sea basin railway and port concessions, the Turkish press takes exception to an Embassy applying for concessions, and asks "why should the French Embassy become a concession-hunter?" The "Tanin" "cannot approve of the French Government making such demands in an official manner."

The "Gazette financière," in an article apparently inspired by French circles, rebuts these criticisms, and points out that it was the Ottoman Government itself,

which in 1911, when anxious to resume the relations with French finance, interrupted as a result of the polemics anent the 4 per cent. customs loan of 1910, sounded the Imperial Ottoman Bank and the French Embassy as to the conditions upon which France would consent to the application of the temettu and the extra 4 per cent. customs duty. France then stipulated that the proceeds of the loan then contemplated should, as in the case of the German loan of 1910, be devoted to French industry and enterprises, and it was the Ottoman Government which enumerated among other railway enterprises, which it wished to have constructed with French capital, the Samsun–Sivas–Kharput–Erzinghian–Trebizond lines, the Rayak–Rydda branch in Syria with eventual prolongation to the Egyptian border, the posts, &c., now set forth in the "Echo de Paris" list. Negotiations were interrupted by the Tripoli and Balkan wars, and it is but natural that they should be included in the desiderata formulated by France as part of the general settlement of outstanding questions which it is desired to arrive at in connection with the general clearing up of Turkey's position *vis-à-vis* Europe. The "Gazette financière" resents the Gallophobe criticism of the proposed settlement of France by the "Tanin," whereas it has just greeted with applause an analogous arrangement with England over outstanding questions in the Persian Gulf regions.

I have, &c.
GERARD LOWTHER.

[24357] No. 258*.

Sir G. Lowther to Sir Edward Grey.—(*Received May* 28.)

(No. 463.)

Sir, *Constantinople, May* 24, 1913.

WITH reference to your telegram No. 222 of yesterday's date and to my telegram No. 242 of to-day, I have the honour to enclose herein copies of the notice attached to the *note identique* sent in to the Sublime Porte on the 14th March last regarding the temettu tax.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 258*.

Notice attached to Identic Note regarding Temettu.

SE référant au dernier alinéa de sa note verbale identique, en date d'aujourd'hui, l'Ambasade de Sa Majesté britannique doit, conformément aux instructions formelles de son Gouvernement, se réserver le droit de s'adresser à la Sublime Porte toutes les fois que des réclamations spéciales de la part des ressortissants britanniques ayant trait à l'application de la loi paraîtraient justifier son intervention, vu que l'estimation de la taxe semblerait frapper d'une façon évidemment injuste certaines catégories de commerce. Sans vouloir trop anticiper la nature de ces réclamations, l'Ambassade de Sa Majesté britannique ne saurait ne pas faire part au Ministère Impérial des Affaires Étrangères des vifs soucis qu'a inspirés aux compagnies d'assurance et de transport britanniques le contenu du tableau (C) annexé au projet de loi. Si chacune des nombreuses sous-agences de ces compagnies devait acquitter le droit fixe, outre les taxes à payer par leur personnel, ce constituerait une charge excessivement lourde pour les compagnies. L'Ambassade voudrait donc être éclairée sur la portée véritable de cette disposition du projet de loi, qui, d'après les représentants des compagnies en question, ne devrait frapper que l'agence principale dans l'Empire de chaque compagnie.

En ce qui concerne le droit de recourir en dernière instance à la commission centrale instituée au Ministère des Finances, l'Ambassade de Sa Majesté britannique a l'honneur de faire remarquer au Ministère Impérial des Affaires Étrangères que la composition de cette commission n'est pas précisée d'une manière tout à fait satisfaisante. Bien que la composition actuelle de cette commission soit de nature à rassurer les contribuables de nationalité étrangère l'Ambassade voudrait avoir des assurances portant que la commission gardera toujours un caractère apte à sauvegarder les intérêts légitimes des sujets britanniques.

L'Ambassade de Sa Majesté britannique est également chargée par son Gouverne-

ment, avant de donner son adhésion définitive au projet de loi sur l'impôt sur les revenus mobiliers, d'attirer l'attention sérieuse du Ministère Impérial des Affaires Etrangères sur la question de l'Oriental Carpet Company (Limited). Quoique cette question fasse l'objet d'une correspondance à part qui n'a pas encore pris fin, et que la question des sociétés commerciales en général soit traitée dans l'aliéna 7 de la note verbale d'aujourd'hui, la situation créée à cette importante société, qui sera une des premières à être frappées par la nouvelle loi, par le refus des autorités de province à reconnaître sa nationalité, est tellement grave que le Gouvernement de Sa Majesté s'est décidé à ne pas adhérer définitivement au projet de loi avant que le caractère britannique de cette compagnie ait été formellement reconnu par la Sublime Porte et que les ordres nécessaires dans ce sens aient été donnés aux autorités de Sivas et autres.

Constantinople, le 14 mars, 1913.

[24430] No. 259.

Admiralty to Foreign Office.—(*Received May 28.*)

Sir, *Admiralty, May 27, 1913.*

WITH reference to your letter of the 18th ultimo and subsequent correspondence respecting the lighting and defence of the entrance to the Persian Gulf, I am commanded by my Lords Commissioners of the Admiralty to request that you will inform the Secretary of State for Foreign Affairs that they concur that from a navigational point of view Musandim would not be as good a position for the light as Little Quoin. The channel between the islands appears not to be so generally used as that north of the Quoins, and on Little Quoin it would serve equally for both. The considerations which led to the suggestion that Musandim should be selected as the site are (as explained in Admiralty letter of the 1st instant) not immediately applicable, and my Lords have therefore no objection to the Little Quoin site being adhered to.

2. I am to add, with reference to a suggestion as to the lighting of Kishm contained in a telegram from Sir P. Cox enclosed in Sir W. Townley's despatch No. 19 of the 22nd January, that the light buoy off Kishm appears to be already on order. A light on Kishm Point itself would seem to be of little use, as it would be obscured by Larak over a very large arc. The north-east point of Larak would be very much better, but of course would not be equally useful from a strategical point of view.

3. A copy of this letter has been sent to the India Office.

I am, &c.
O. MURRAY.

[23615] No. 260.

Sir Edward Grey to Viscount Kitchener.

(No. 59.)
(Telegraphic.) R. *Foreign Office, May 28, 1913.*

YOUR telegram No. 55 of 23rd May.

Following is formula drawn up by his Highness Hakki Pasha with Mr. Parker. Please telegraph your views :—

"Le Gouvernement Impérial ottoman s'engage à autoriser, sur la demande du Gouvernement Khédivial et avec toute la célérité requise, l'émission de tout emprunt, soit à l'étranger, soit intérieur, que ledit Gouvernement Khédivial jugera nécessaire à la prospérité du pays. Il est bien entendu que ces emprunts ne pourront servir à des dépenses d'un caractère militaire."

(Repeated to Constantinople, No. 227.)

[24204] No. 261.

Sir Edward Grey to Mr. O'Beirne.

(No. 424.)
(Telegraphic) *Foreign Office, May 28, 1913.*

YOUR telegram No. 197 of 26th May.

I entirely agree that it is desirable to proceed with a scheme of reforms, and I shall be delighted if Russian Minister for Foreign Affairs will take the initiative, especially as regards Armenian vilayets.

Reforms will also be required for the whole of Asia Minor, and upon these as a whole it seems to me impossible to enter without taking Germany into consultation, owing to her commercial interests. To attempt to do it through their Ambassadors alone at Constantinople would lead to complications both with Turkey and other Powers.

Two alternatives occur to me :—

1. That Russian Minister for Foreign Affairs should say that Russia, in consultation with Turkey, will draw up a scheme of reform for the Armenian vilayets and then propose it to the Powers, and that Russian Minister for Foreign Affairs should simultaneously propose that reforms for the rest of Asiatic Turkey should be discussed by the six Ambassadors at Constantinople.

2. That Russian Minister for Foreign Affairs should propose that a comprehensive scheme of reforms for Asiatic Turkey as a whole should be discussed by all the Powers, preferably by means of Ambassadors at Constantinople.

I have no desire to have matter discussed in London.

I will instruct you subsequently about employment of British officer for gendarmerie.

A further suggestion is that M. Sazonof should propose to the Powers the scheme of reforms drawn up by France, Russia, and England in 1895 and communicated to the Powers then; but if Russia will take the initiative in my proposal, the Russian Government must decide what course they prefer.

[24843] No. 262.

Sir Edward Grey to Sir F. Bertie.

(No. 338.)
Sir, *Foreign Office, May 28, 1913.*

I GAVE M. Cambon to-day, very confidentially, a copy of my conversation with Herr von Kühlmann of the 23rd instant.

M. Cambon asked me very particularly as to the date of this conversation. On noticing that it took place a few days ago he said that he had heard quite lately that Germany had begun to talk in Paris about the Bagdad Railway. He hoped that in this way a solution might be arrived at, and the question be entirely settled.

I am, &c.
E. GREY.

[24846] No. 263.

Sir Edward Grey to Sir F. Bertie.

(No. 339.)
Sir, *Foreign Office, May 28, 1913.*

M. CAMBON told me to-day that he had explained to Count Benckendorff the difficulty, if not the impossibility, of our refusing to do anything for the gendarmerie in Asia Minor. Count Benckendorff had explained, equally strongly, that M. Sazonof would be overwhelmed with attacks if the British gendarmerie went alone to Armenia. M. Cambon thought that we might agree that the gendarmerie should not go to any of the vilayets on the Russian frontier, but should be employed in the vilayets near Constantinople, and thence gradually extended.

I said that I should be delighted if Russia would take the lead about reforms in Armenia. But reforms would take a long time to put in operation. There were people here who took considerable interest in the Armenians, and if in a few weeks

hence a massacre occurred, and the Turks pleaded that they had asked us for assistance and we had refused, we should be in an indefensible position.

I told M. Cambon of the suggestions that I was making to M. Sazonof about financial and other reforms for Asiatic Turkey.

M. Cambon said that it had occurred to him that, as in 1895 England, France, and Russia had drawn up a scheme of reforms for Armenia and communicated it to the other Powers, this scheme of reforms might now be drawn to their notice again.

I said that I would make this suggestion also to M. Sazonof.

I am, &c.
E. GREY.

[24853] No. 264.

Sir G. Lowther to Sir Edward Grey.—(Received May 29.)

(No. 249.)
(Telegraphic.) *Constantinople, May 29, 1913.*

MY despatch No. 283: Shatt-el-Arab.

Following from consular officer at Basra, dated 28th May:—

"My despatch No. 14 of 14th March. The vali informed commission that he arranged with German firm to test dredger on 31st May at the entrance to Ashar Canal."

[24670] No. 265.

Sir G. Lowther to Sir Edward Grey.—(Received May 29.)

(No. 252.)
(Telegraphic.) R. *Constantinople, May 29, 1913.*

REPORTS from His Majesty's consul at Jeddah to the effect that, owing to imprisonment of certain sheikhs at Medina, rising has occurred, and he now learns from agent of Grand Shereef at Jeddah that over 1,000 tribesmen are entrenched 7 miles from the town. There are less than 200 Turkish troops at Jeddah.

[24653] No. 266.

Sir Edward Grey to Sir G. Lowther.

(No. 228.)
(Telegraphic.) R. *Foreign Office, May 29, 1913.*

YOUR Excellency's telegram No. 249 of to-day.

In view of Mr. Crow's report, you should instruct him to keep dredging operations under close observation, and to report at once if they take place outside irrigation creeks or in any navigable part of the river or its affluents.

[23941] No. 267.

Sir Edward Grey to Sir F. Bertie.

(No. 334.)
Sir, *Foreign Office, May 29, 1913.*

THE French Ambassador informed Sir A. Nicolson on the 22nd instant that the French Minister for Foreign Affairs had received from the Russian Minister for Foreign Affairs the same request as His Majesty's Government as regards the elaboration of reforms for Asiatic Turkey, and asked for our views. M. Cambon proposed to reply, as his own opinion, that the moment was not opportune for His Majesty's, the French, and the Russian Ambassadors at Constantinople to discuss and propose concrete measures of reform. There were several questions still unsettled, and, moreover, it would be necessary to await the decisions of the conference at Paris as to financial questions, it being possible that some kind of financial control would be necessary. Furthermore, the duty of drawing up reforms for Asiatic Turkey is a matter for all the Powers and not for three alone.

The question of the loan of some British officers to organise the gendarmerie in

the Armenian vilayets is, as Sir A. Nicolson explained to M. Cambon, a separate matter, which would not affect the general question of reforms. M. Cambon quite understood this, and realised that His Majesty's Government could not refuse the request of the Turkish Government.

I am, &c.
E. GREY.

[24844] No. 268.

Sir Edward Grey to Sir E. Goschen.

(No. 167.)
Sir, *Foreign Office, May 29, 1913.*

I SHOWED Herr von Kühlmann to-day the record that I had made of my conversation with him about the Bagdad Railway on the 23rd instant.

Having read it, he said that it represented exactly what he had reported.

I said that I showed it to him because I had now begun to discuss the matter with the French and Russian Governments, and what I had said to him represented the light in which I would put the matter to them. I agreed, therefore, to his keeping the copy that I had shown him. I told him that I should be prepared to go as far as Russia had gone at Potsdam, and say that we would not obstruct the Bagdad Railway. But we could not become active partners in promoting it unless an arrangement was come to with France and Russia. The arrangement between Germany and Russia was one that concerned themselves, and I could only suggest that the German Government should discuss the question with the French Government.

I am, &c.
E. GREY.

[24847] No. 269.

Mr. O'Beirne to Sir Edward Grey.—(Received May 30.)

(No. 200.)
(Telegraphic.) *St. Petersburgh, May 30, 1913.*

REFORMS in Asiatic Turkey.

I read your telegram No. 424 of 28th May yesterday to the Minister for Foreign Affairs, who appeared much pleased. He said he must consider matter further, and as he leaves to-day for Kostroma to join the Emperor, and will be absent ten days, I fear his reply will be somewhat delayed.

[24878] No. 270.

Lieutenant-Colonel Sir P. Cox to Viceroy of India.—(Communicated to Foreign Office, May 30.)

(Telegraphic.) *Bushire, May 30, 1913.*

MY telegram of 22nd May.

Following further news from Bahrein, dated 26th May:—

1. Bin Saud is alleged to have written to Turkish authorities at Basra stating that he was forced to take action owing to appeals of inhabitants against oppression of subordinate Turkish officials, and adding that he would be glad to become vali on behalf of Turks, and would guarantee to maintain order.

2. Steamship "John O. Scott" did not leave Bahrein, but lingered on there on various pretexts. On 25th May three officers and thirty men and two small guns arrived from Albida; and on 26th May Major Nuris Bey, with about 500 men and two guns, left in native boats for Ojair-Katif, giving it to be understood that it was proposed to make terms with Bin Saud. Ship above mentioned still remains at Bahrein on various pretexts at disposal of a colonel who has arrived from Basra.

3. It is reported from Fao to-day that Turkish force at Bahrein has been told to

play out time pending the arrival of "Marmaris," expected from Bombay, and the "Hamidieh," from Aden.

Turkish consul at Bushire is said to have telegraphed yesterday to his Minister that the Turks have retaken Katif, but I can hardly credit this. It is possible, however, that a compromise has been reached.

(Addressed to India; sent to Foreign Office and to Basra by post.)

[24318] No. 271.

Sir Edward Grey to M. Cambon.

SIR E. GREY presents his compliments to the French Ambassador, and has the honour to state that he has been in telegraphic communication with His Majesty's Ambassador at Constantinople respecting the French note of the 13th May on the subject of the temettu tax. Sir E. Grey had enquired from Sir G. Lowther whether it would be practicable to make fresh conditions as to the expenditure of the revenue anticipated from this tax, without making specific exceptions in regard to expenditure on particular enterprises, as for instance, the Bagdad Railway.

Sir G. Lowther has now replied to the effect that the note assenting, with certain reservations, to the application of the temettu to foreigners was sent in as long ago as the 14th March, and that fresh stipulations could hardly now be added without having the appearance of a breach of faith.

Sir E. Grey is disposed to concur in this view.

Foreign Office, May 30, 1913.

[25048] No. 272.

Foreign Office to Board of Trade.

Sir, *Foreign Office, May* 30, 1913.

WITH reference to the conference which took place to-day at the Board of Trade, I am directed by Secretary Sir E. Grey to state that Mr. Parker approached Hakki Pasha as arranged on the subject of the conservancy of the River Tigris.

Hakki Pasha stated that he did not think the Turkish Government would object to the work in question being undertaken by the proposed Turkish company at its own risk and expense.

Hakki Pasha was further informed that Lord Inchcape would be the concessionnaire suggested by His Majesty's Government for the new company, and his Highness was asked if he would be prepared to undertake negotiations with his Lordship as to the proposed concession.

Hakki Pasha replied that he would ask his Government for instructions on this point.

I am, &c.
W. LANGLEY.

[24934] No. 273.

Sir G. Lowther to Sir Edward Grey.—(Received May 31.)

(No. 461.)

Sir, *Constantinople, May* 24, 1913.

I HAVE the honour to transmit herewith copy of a despatch from His Majesty's vice-consul at Adana, reporting on the visit of the German warships "Goier" and "Goeben" to Mersina.

With reference to Mr. Matthews's statement with regard to Italian designs in connection with the Island of Rhodes, it may not be without interest to report that the belief is current in certain circles in Constantinople that Italy will manage to retain Stampalia, and, if possible, Rhodes, and that they will use the latter as a stepping stone for the occupation of the harbour of Marmarice and the adjoining territory, when Germany occupies the province of Adana.

It must be added that official Turkish circles deny that there is any truth in these somewhat far-fetched reports.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 273.

Vice-Consul Matthews to Sir G. Lowther.

(No. 27.)

Sir, *Adana, May* 16, 1913.

WITH reference to my despatch No. 21 of the 24th ultimo, I have the honour to report to your Excellency that the vali called on me on the 2nd instant and stated that he had heard from the acting German consul that the German cruiser "Goeben," with the commander-in-chief of the German Mediterranean Fleet on board, and the "Geier" would join the "Strassburg" at Mersina on the 4th instant, and that the German admiral would visit Adana on the 5th instant. The "Geier" arrived at Mersina on the 3rd and the "Goeben" on the 4th instant. The German rear-admiral and two officers of the "Goeben" came to Adana from Mersina by special train on the 5th instant, and, accompanied by the acting German consul, called on the vali, after which they paid a visit to the Catholicos of Sis at the residence of the Armenian bishop. The three German officers and the acting consul paid these calls in full uniform, following the precedent established by the commander of the "Strassburg" on the 20th ultimo (my despatch No. 23 of the 1st instant). The "Geier" left Mersina on the 4th or 5th instant. A luncheon was given on board the "Goeben" on the 9th instant, to which, in addition to the Catholicos, the vali and various Turkish officials were invited. The "Strassburg" and "Goeben" left Mersina on the 10th instant.

The Italian cruiser "Amalfi" arrived at Mersina on the 12th instant, and the "Etruria" departed about the 10th idem.

The British cruiser "Black Prince" arrived at Mersina on the 8th instant, and left the following morning at daybreak.

The vali, who called on me to-day, stated that the German rear-admiral had informed him on the 5th instant that he intended to remain at Mersina for six days, but that he had given no particular reason for his visit. It is needless to say that all kinds of rumours have been current locally respecting the reason of the simultaneous visit of three German ships of war to Mersina. In addition to rumours of the impending occupation of Cilicia by the Germans, it is stated that the Germans intend to establish a naval base in the Mediterranean, opinion being divided as to whether they will choose the continent or an island for that purpose. Alexandretta is frequently mentioned in this connection, and it is recalled that pressure was at one time brought to bear upon Abdul Hamid to induce him to lease Mitylene to the Germans. It is also stated locally that the Italians will not easily evacuate Rhodes, the establishment of direct steamship communication between Rhodes and Italy (my despatch No. 26 of the 6th instant) being adduced in support of this theory.

It is reported that the German cruiser "Dresden" will shortly visit Mersina.

I have, &c.
W. D. W. MATTHEWS.

[24935] No. 274.

Sir G. Lowther to Sir Edward Grey.—(Received May 31.)

(No. 465.)

Sir, *Constantinople, May* 24, 1913.

I HAVE the honour to transmit to you herewith copy of a despatch from His Majesty's consul-general at Smyrna, enclosing a circular addressed by General Ameglio to the consular body in Rhodes, in connection with judicial procedure in that island, and involving a principle of considerable importance.

The Italians maintained the same point of view as that expressed in the enclosed circular in Tripoli, which had been annexed to Italy, but agreed to the presence of the consular dragoman as a "spectator."

As Rhodes has not been annexed to Italy, and is, since the peace of Lausanne conditionally Ottoman, His Majesty's Government would seem to be entitled to insist

on the same procedure as at the Military Court at Constantinople, where, as at Rhodes, the ordinary Civil Courts continue to deal with non-military offences.

In 1878, and again in 1909, when martial law was established in Constantinople, His Majesty's Embassy addressed notes to the Porte, maintaining that the establishment of Military Courts could not abrogate the capitulatory rights of British subjects guaranteed by treaty and usage. The Military Court of Constantinople admits the presence of a consular dragoman, and it is difficult to see how the Italians, who are in temporary possession of technically Ottoman territory, can justify their refusal to recognise this right and the practice of the Ottoman Military Courts.

I understand that His Majesty's Government, and other Governments, have insisted on the same point of view in the case of Servian Military Courts at Uskub (Skoplje) in Macedonia.

I have, &c.
GERARD LOWTHER.

Enclosure 1 in No. 274.

Consul-General Barnham to Sir G. Lowther.

(No. 34.)
Sir, *Smyrna, May* 19, 1913.

I HAVE the honour to transmit herewith copy of a circular addressed by General Ameglio to the consular body in Rhodes, informing them that, although the Italian authorities observe the Capitulations with respect to civil actions by admitting the presence of the consular dragoman at the hearing of such cases, they cannot do so in cases before the military tribunal in which foreign subjects may be implicated.

I have, &c.
HENRY D. BARNHAM.

Enclosure 2 in No. 274.

General Ameglio to British Vice-Consul at Rhodes.

M. le Vice-Consul, *Rhodes, le 7 mai*, 1913.

LE cas s'étant présenté de devoir juger des civils de nationalité étrangère, lesquels se trouvent impliqués dans des délits commis par des militaires appartenant à l'armée Royale italienne, je tiens, M. le consul, à porter à votre connaissance que le Gouvernement Royal a décidé que pour les civils en question le tribunal militaire de guerre siégeant à Rhodes devra suivre la procédure à lui propre, laquelle exclut l'intervention des autorités consulaires dans l'action dudit tribunal, attendu que, dans ce cas spécial, il est impossible d'appliquer le système capitulaire qui est en vigueur pour les délits de caractère ordinaire.

Il n'y a en effet aucun doute que l'article 45 du règlement concernant les lois et règlements de la guerre, annexé à la Convention internationale de La Haye et rendu exécutif par decret Royal du 9 décembre, 1900, No. 594, établit que l'occupation militaire doit respecter les lois en vigueur dans le pays occupé et parmi celles-ci sont comprises, en territoire ottoman, les Capitulations; et il est évident que pareille disposition appliquée en temps de guerre active doit à plus forte raison rester en vigueur dans les occupations militaires qui précèdent ou suivent la guerre.

Ce règlement pourrait s'appliquer aux tribunaux militaires de guerre en cas où il n'existerait pas un autre tribunal, et que les susdits tribunaux de guerre seraient chargés de connaître de toutes espèces de délits commis, même par les habitants, dans le territoire occupé et durant le temps de l'occupation militaire.

En effet, en pareil cas, le tribunal de guerre serait l'unique organe de l'Administration judiciaire et sa compétence ainsi étendue lui conférerait pour les délits d'ordre commun les attributions d'un tribunal ordinaire; et par suite, ce tribunal militaire devant respecter, autant que possible, les lois et usages locaux, devrait par le fait même respecter également les Capitulations.

Mais tel n'est pas le cas qui nous occupe.

Le Gouvernement italien, dans les îles occupées et en remplacement des tribunaux turcs qui fonctionnaient avant l'occupation, a établi des tribunaux ordinaires civils et pénaux de première et seconde instance et, comme de juste, ces tribunaux respectent dans la mesure du possible les lois et usages locaux ainsi que les Capitulations.

En ce qui concerne pourtant le tribunal militaire de guerre, celui-ci se limite actuellement à son rôle normal de tribunal spécial extraordinaire, n'ayant de compétence que pour les seuls délits de caractère militaire.

Conséquemment, ce tribunal ne s'est pas substitué aux tribunaux locaux, mais il continue purement et simplement à fonctionner comme organe spécial de la justice militaire, qui, même en temps de guerre, suit tout corps de l'armée italienne partout où il se déplace et conséquemment aussi en territoire étranger, et demeure pour ce motif, même à l'étranger, tribunal uniquement italien et militaire, ayant pour objectif de juger et punir exclusivement les délits qui constituent une atteinte à l'intégrité, à la sécurité et aux intérêts matériels du corps d'armée auquel ledit tribunal militaire de guerre est rattaché.

Il est par suite naturel qu'un tribunal de caractère aussi spécial n'est pas tenu d'observer les usages locaux, et puisque désormais il est universellement admis que tombent sous la juridiction des tribunaux militaires de guerre, même les civils qui ont commis, soit seuls, soit de connivence ou de complicité avec des militaires, des délits de la compétence desdits tribunaux militaires; pour ces motifs, il n'existe aucun doute que dans le cas qui nous occupe tout attentat à la sécurité, à l'intégrité et aux intérêts matériels du corps d'occupation, commis soit par un militaire, soit par un civil de n'importe quelle nationalité, doit être jugé par le tribunal militaire de guerre en conformité du Code militaire italien et sans obligation de tenir compte ni des lois, ni des usages, ni des privilèges locaux, ni non plus des Capitulations, qui constituent précisément un privilège réservé aux civils de nationalité non ottoman résidant en territoire ottoman.

Veuillez, &c.
Le Lieutenant-Général commandant le
Corps d'Occupation italien,
G. AMEGLIO.

[24937] No. 275.

Sir G. Lowther to Sir Edward Grey.—(Received May 31.)

(No. 467.)
Sir, *Constantinople, May* 26, 1913.

WITH reference to my despatches Nos. 308 and 370 of the 14th and 29th April respectively, I have the honour to forward herewith a despatch from His Majesty's vice-consul at Adana reporting on dismissal of local officials.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 275.

Vice-Consul Mattheus to Sir G. Lowther.

(No. 29.)
Sir, *Adana, May* 19, 1913.

IN my despatch No. 14 of the 29th March last I reported to your Excellency the dismissal of the Mutessarif of Kozan, mentioning that he was well disposed to the Armenians, and that he was thought to have been made a scapegoat for the disturbances at Hajin at the end of January last. I have now the honour to report that the Kaïmakam of Hajin, an Armenian named Artin Effendi Apartian, has also been dismissed, his successor being one Fikri Effendi, who was formerly Kaimakam of Keshan, in Macedonia. Artin Effendi Apartian deserves credit for the promptness with which he instituted an enquiry into the claim of the Oriental Carpet Manufacturers (Limited) (my despatch No. 28), and, according to all accounts, he acted well when the population of Hajin was agitated last month (my despatch No. 29). If these dismissals are of any value as an indication of the policy of the present Government towards the Armenians they are not reassuring.

The police mudir of Adana, an Albanian named Ruhi Bey, was dismissed about a week ago. It is thought that his Albanian origin and an article in the "Tanin" of the 3rd instant are responsible for his dismissal. The dismissal of Kemal Bey, the commandant of gendarmerie, who is also an Albanian, has been reported, but is not confirmed officially. Kemal Bey is stated to have been formerly a sergeant in Abdul Hamid's guard at Yildiz.

Rumours of the impending transfer or dismissal of the vali are also current, for which the article in the "Tanin" referred to above may partly account. Another reason is to be found in the appointment of a mufti, which was made a few weeks ago after the post had been kept vacant for more than twelve months. It appears that the vali's choice is unpopular with a large section of Mussulmans, who complain that Tabak-zadeh Hajji Ali, the new mufti, is too old to be able to perform his duties.

I have, &c.
W. D. W. MATTHEWS.

[24938] No. 276.

Sir G. Lowther to Sir Edward Grey.—(Received May 31.)

(No. 468.)

Sir, *Constantinople, May 26, 1913.*

WITH reference to my despatch No. 375 of the 30th of last month, I have the honour to forward herewith a despatch from His Majesty's vice-consul at Mosul, reporting on the serious condition of affairs in Kurdistan.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 276.

Vice-Consul Hony to Sir G. Lowther.

(No. 11.)

Sir, *Mosul, April 27, 1913.*

I HAVE received a letter from the Archbishop's mission at Qudshanis, stating that the Nestorians are in great fear of a general massacre, which they believe the Kurds have arranged.

I was told to-day by the head of the Dominicans here that one of the Order, who had just come from Siirt, reported that a Russian agent visited their mission there, and openly said that he was touring Kurdistan to try and arrange "a little massacre" in order to give the Russians a pretext for interfering.

Personally, I do not believe there is any great danger at present. The Christians of this country are always nervous, and they are particularly so just now. The meeting of chiefs at Bohuk, reported in my despatch No. 8, caused great trepidation, and the French vice-consul has had hysterical letters from the Chaldean Bishop of Amadia on the subject. But I have no reason to believe that the chiefs even discussed the question of a massacre. I think that the Kurds are sufficiently intelligent to know that a massacre would be the best possible way of summoning the Russians, a contingency which most of them dread more than anything else on earth.

The Kurdish problem is extremely difficult for the Turkish Government. They dare not, and cannot, use very strong measures against the Kurds; yet, if the present state of affairs continues the Nestorians are certain to summon the Russians to their aid, and once the Russians have taken charge of the Nestorians there can be little doubt of the future of Kurdistan.

I have, &c.
HENRY C. HONY.

[24942] No. 277.

Sir G. Lowther to Sir Edward Grey.—(Received May 31.)

(No. 473.)

Sir, *Constantinople, May 27, 1913.*

I HAVE the honour to forward herewith copy of a despatch from His Majesty's vice-consul at Adana, reporting on visits of commanders of German warships and feelings of Armenians towards Germans.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 277.

Vice-Consul Matthews to Sir G. Lowther.

(No. 31. Confidential.)

Sir, *Adana, May 20, 1913.*

I HAVE the honour to report, for your Excellency's information, that the vali informed me a few days ago that he had received a telegraphic enquiry from the Minister of Foreign Affairs respecting a paragraph in the "Times" of the 8th or 9th instant, in which it was stated that the authorities here had tried to dissuade the commander of the German cruiser "Strassburg" from calling on the Catholicos of Sis in uniform. The vali stated that there was no truth in the report published by the "Times."

I have reason to believe that the commanders of the "Strassburg" and "Goeben" have confined themselves to general enquiries as to the situation when interviewing the local authorities, and that during their visits to the Armenian ecclesiastical authorities they have merely expressed in general terms their readiness to do anything possible to protect the Armenians. These expressions of interest evoke little response from the Armenians, who have not modified their attitude towards the Germans; indeed, contact with the Germans since the Bagdad Railway line reached this district has confirmed and strengthened Armenian aversion and distrust of the Germans. No one believes that serious disorders will occur at Mersina or Adana, and in the light of past experience it is realised that, were disorders to break out in the interior, even those Powers to whom the Armenians naturally look for protection and sympathy might be able to do little on their behalf.

I have, &c.
W. D. W. MATTHEWS.

[25022] No. 278.

Admiralty to Foreign Office.—(Received May 31.)

Sir, *Admiralty, May 29, 1913.*

IN reply to Mr. Langley's letter of the 22nd instant, I am commanded by my Lords Commissioners of the Admiralty to acquaint you that my Lords concur in the proposed informal Conference on the subject of the Mesopotamian oil concessions, and have deputed Mr. F. W. Black, C.B., Director of Navy Contracts, to attend to represent the Admiralty. My Lords note that no reference is made to representation of the India Office. They assume, however, that Sir Edward Grey contemplates asking the Secretary of State for India whether he desires to be represented.

My Lords desire me to add that, as Sir Edward Grey will doubtless already have realised, it will not be practicable in the presence of representatives of other interests to refer in any way to the questions still pending between this department and the Anglo-Persian Company as to a possible contract for supplies of oil fuel for His Majesty's navy.

They assume that the Conference will deal only with Mesopotamian affairs, and that the position of the Anglo-Persian Company in its relation to the oilfields of Persia will be kept out of the discussion.

In accordance with the verbal suggestion of your department by telephone, a copy of this letter is being sent to the India Office and Board of Trade.

I am, &c.
O. MURRAY.

[25324] No. 279.

M. Sazonof to Count Benckendorff.—(Communicated to Foreign Office, May 31, 1913.)

LE Chargé d'Affaires britannique a fait, au nom de son Gouvernement, au Gouvernement Impérial la proposition ou bien de s'entendre directement avec la Turquie ou bien de prendre l'initiative de propositions concrètes sur la question des réformes en invitant toutes les Puissances à y participer. Veuillez tout d'abord remercier Sir Edward Grey de cette proposition. Veuillez ensuite lui répondre ce qui

suit: la première proposition nous paraît moins pratique et de nature à pouvoir inspirer des appréhensions à d'autres Puissances. Nous acceptons la seconde, en renouvelant nos remerciements au Gouvernement britannique de l'intention amicale dont il est empreint à notre égard.

Nous chargeons en conséquence notre Ambassadeur à Constantinople d'établir les principes fondamentaux des réformes voulues, en prenant pour base le projet élaboré en 1895, qui devra être remanié conformément aux nouvelles exigences. Ce projet devrait faire l'objet d'un examen préalable et confidentiel de nos Ambassadeurs à Constantinople et de l'Ambassadeur de France dans le but d'établir un accord complet entre nous, après quoi nous pourrons nous adresser aux autres Puissances. Pour éviter toute méfiance des Puissances ou de la Porte ces pourparlers, devront garder le caractère le plus strictement confidentiel.

Veuillez communiquer ce qui précède à Sir Edward Grey et nous informer de sa réponse.

[24313] No. 280.

Sir Edward Grey to Sir G. Louther.

(No. 234.)
(Telegraphic.) *Foreign Office, May 31, 1913.*

YOUR telegram No. 245 of 27th May: Unrest at Basra.

Hakki Pasha stated to-day that he had brought the matter to the notice of the Turkish Government, and that the Ministry of Finance reported that they had on information on the subject, but that they would issue the desired instructions to the local authorities.

[25212] No. 281.

Mr. O'Beirne to Sir Edward Grey.—(Received June 2.)

(No. 172.)
Sir, *St. Petersburgh, May 27, 1913.*

I READ to the Russian Minister for Foreign Affairs yesterday your telegram No. 422 of the 23rd instant explaining the grounds on which His Majesty's Government had decided to lend a few British officers to the Turkish Government for the organisation of a gendarmerie in Asiatic Turkey. M. Sazonof remarked that he feared that the views of the two Powers were far apart on this subject, and he communicated to me two telegrams which he had addressed to Count Benckendorff stating that it was entirely impossible for the Russian Government to withdraw their objections to British officers being entrusted with the reorganisation of the gendarmerie in the Armenian vilayets, and also insisting that the general question of reforms in Asiatic Turkey should be discussed by the three Ambassadors in Constantinople. As you are doubtless in possession of the substance of these telegrams, which set forth very fully the reasons for M. Sazonof's attitude, I will confine myself to reporting some remarks of his Excellency which may throw additional light on Russian policy in Asiatic Turkey.

His Excellency stated to me very emphatically that the Armenians in Turkey aspire to the annexation of the Armenian vilayets by Russia. Some time ago the Catholicos had been to St. Petersburgh and had approached the Russian Government with this request, and afterwards he had despatched another Armenian dignitary on the same mission. The Armenians realised that they could never form an autonomous State because they were only some 30 per cent. of the population of the Turkish provinces which they inhabited, and therefore they aimed at incorporation by Russia. He, M. Sazonof, had replied that there could be no question of annexation; that Russia did not desire to increase her responsibilities to that extent (and these, his Excellency assured me, were Russia's real sentiments), but that, on the other hand, she would see to it that effective reforms were carried out in Turkish Armenia. Russia had thus, his Excellency went on to say to me, placed herself under certain obligations, and her position in regard to Turkish Armenia was such that she could not possibly let other Powers take the lead in matters affecting those regions while she herself played second violin. There were, moreover, Armenian deputies in the Russian Duma, who were constantly reminding him of Russia's responsibilities in that quarter.

I said that, precisely on account of Russia's special position, Turkey would

probably not consent to employ Russian officers in the regions concerned. What did his Excellency propose to do in that case? M. Sazonof replied that the officers need not be exclusively Russians, they might be of mixed nationality. He did not wish to have Germans in those parts, but there might be some French and English. However, he had not thought this matter out, and did not wish to pronounce himself definitely upon it. On my expressing some astonishment that he should feel any apprehensions as to the effect of British officers being entrusted with the sole charge of the gendarmerie, he remarked that they would no doubt be Anglo-Indian officers, and he knew what these were. I enquired what he proposed to do if the Turks said that sooner than employ officers of mixed nationality, as he suggested, they would have no foreign officers at all. He replied, with great emphasis, that he would then intimate to Turkey that, in the absence of a properly organised gendarmerie, disorder and massacres of Armenians were certain to occur, and that in that case Russia would intervene. He added that Russia would not repeat the mistake committed by Prince Lobanof in 1895 by remaining passive in the presence of Armenian massacres, and it was impossible, he said, that Armenians should live any longer under the constant menace of such occurrences.

As regards the general question of reforms in Asiatic Turkey, the Minister for Foreign Affairs was equally emphatic in maintaining his point of view that the question should be discussed by the Ambassadors of the three Powers in Constantinople, while entirely agreeing with you that this should be merely a preliminary exchange of views, and that a scheme of reforms must be eventually put forward by all the Powers. He said that the Ambassadors would be in touch with the Armenians, which, in the circumstances, was indispensable, and that they could consult the Armenian Patriarch. They would, moreover, have the advantage of disposing of special information regarding the local conditions in the regions concerned, which, he said, could not be available in London.

I have, &c.
HUGH O'BEIRNE.

[25213] No. 282.

Mr. O'Beirne to Sir Edward Grey.—(Received June 2.)

(No. 173.)
Sir, *St. Petersburgh, May 29, 1913.*

AS I had the honour to report to you by my telegram No. 194 of the 17th instant, the Russian Minister for Foreign Affairs when I spoke to him on the previous day showed, though in a good-humoured way, a good deal of curiosity and some sensitiveness with regard to the pending negotiations between His Majesty's Government and the Turkish Government touching the Bagdad Railway and the Persian Gulf region. His Excellency hinted that His Majesty's Government seemed to be taking advantage of Turkey's present situation to extract concessions from her, and asked what was to prevent other Powers from doing the same. He laid some stress on reports which he had seen in the press to the effect that the negotiations concerned an advance of money to Turkey, and remarked that the understanding between the three Powers was that no money should be given to Turkey until the conclusion of peace.

Since, however, his Excellency has been furnished with the explanations contained in your telegram to me No. 413 of the 20th instant and those which you gave to the Russian Ambassador (your telegram to me No. 419 of the 21st instant), he appears to be quite satisfied. At any rate he has not offered any further criticisms regarding the course followed by His Majesty's Government, although he has questioned me with great interest about the details of the arrangement contemplated by His Majesty's Government concerning the Bagdad Railway and more particularly about the abandonment of any British claim to participation in the construction of the railway as far south as Basra, which came as a complete surprise to him.

I have, &c.
HUGH O'BEIRNE.

[25763] No. 283.

Note communicated by Prince Lichnowsky, June 2, 1913.

(Confidential.)

THE necessity might arise in the future of establishing a direct telegraphic communication between Germany, German East Africa, and China. The shortest and best route for such a communication is, in the opinion of experts, through a land line across Turkey and through a cable which would be linked to the land line at some point on the shores of the Persian Gulf. Should this point be in Turkish territory, a special agreement would have to be made with the Eastern Telegraph Company to get the consent of this company to the landing of the cable, as this company enjoys a special position owing to arrangements with the Turkish Government. Another possibility would be a landing of the cable in Persian territory and a continuation of the land-line across Persia into Turkey. The Imperial Government would, before taking any steps in this question, welcome a declaration from His Majesty's Government that there is no opposition in principle to the landing of a cable on a point on the shores of the Persian Gulf to be determined by agreement, and would appreciate a confidential expression of opinion which of the two possible schemes landing the cable in Turkish or Persian territory—would be considered favourably by His Majesty's Government.

German Embassy, London, May 29, 1913.

[25258] No. 284.

Sir F. Bertie to Sir Edward Grey.—(Received June 2.)

(No. 283.)

Sir, *Paris, May 31, 1913.*

I HAVE had the honour to report to you in previous despatches a tendency in the French press to criticise the present Cabinet and preceding ones for not pushing French interests in Asiatic Turkey in a sufficiently active manner.

The "Temps," which has frequently raised such complaints, publishes in its issue of to-day's date a leading article respecting the Anglo-Turkish negotiations and the prospect of further ones between His Majesty's Government and the German Government on the subject of the Bagdad Railway.

The gist of the article is that France has been left out of the most important enterprise in Asia Minor, namely, the first railway line which will connect Europe and Asia. An irremediable mistake was made in 1910 when, owing to the opposition of M. Bompard, French Ambassador at Constantinople, no action was taken with regard to the concession for the Homs-Bagdad-Basra line as to which a protocol had been signed by Sir Edward Grey and M. Paul Cambon in 1909. This transaction, which would have enabled France and England to act together against Germany, fell through. M. Pichon has recently declared that French interests would be safeguarded, but, at the point which things have now reached it is not easy to see how he will be able to secure any voice in the capital question of the Trans-Asiatic line. The British Government loyally informed the French Government of their negotiations, and it cannot be made a subject of complaint against England that she has sought for a solution without France, seeing that the latter backed out of the arrangements made with her. It is, at any rate, to be hoped that M. Pichon will succeed in safeguarding French interests in the portions of the Ottoman Empire where the field is clear.

I have, &c.
FRANCIS BERTIE.

[25159] No. 285.

Sir E. Goschen to Sir Edward Grey.—(Received June 2.)

(No. 203.)

Sir, *Berlin, May 31, 1913.*

THE following question was addressed to the Imperial Chancellor in the Reichstag yesterday by Dr. Müller (of Meiningen), the prominent Liberal member:—

"Is the Imperial Chancellor prepared to furnish information in regard to an agreement concluded between Turkey, England, and Germany, under which Germany

can construct the Bagdad Railway as far as Basra on condition of the admission of two English members to the Administrative Council, whilst the construction of the harbour at Basra and the line from Basra to Koweit would fall to England with an English protectorate over Koweit?"

Herr von Jagow, Imperial Secretary of State of the Foreign Office, replied as follows:—

"As the House is no doubt aware from the statement made yesterday by the English Secretary of State for Foreign Affairs, England and Turkey have agreed on the draft of a treaty whereby the Bagdad Railway shall not go further than Basra without the concurrence of England; and England, in view of her interests in the section from Bagdad to Basra, is to be represented on the Administrative Council of the Bagdad Railway by two votes. As Sir Edward Grey pointed out in his statement, the agreement has been come to between England and Turkey. We have, however, been kept informed of the progress of the negotiations, and, so far as our interests and rights under the earlier Bagdad agreements and our present Bagdad agreements are affected by the Anglo-Turkish treaty, our concurrence is necessary, as the two contracting parties do not fail to recognise. An exchange of views on the subject has been begun. Pending its termination, I must, I regret to say, abstain from making a further statement in regard to details. I desire, however, to state that the provisions of the Anglo-Turkish agreement, whereby the Bagdad Railway is to terminate at Basra, is based on the assumption that the Shatt-el-Arab will be made navigable from Basra to the Persian Gulf, and must be maintained permanently in this condition."

I have, &c.
W. E. GOSCHEN.

[25326] No. 286.

India Office to Foreign Office.—(Received June 2.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 28th May, 1913, regarding the lighting and buoyage of the Persian Gulf.

Copy has been sent to the Admiralty.

India Office, May 31, 1913.

Enclosure in No. 286.

The Marquess of Crewe to the Government of India.

(Telegraphic.) P. *India Office, May 28, 1913.*

LIGHTHOUSES.

With reference to my telegram of the 10th instant, work may proceed on the Little Quoin site, to which His Majesty's Government have definitely decided to adhere.

(Repeated to Bushire.)

[25351] No. 287.

Euphrates and Tigris Steam Navigation Company to Foreign Office.—(Received June 2.)

Sir, *3, Salters' Hall Court, Cannon Street, London, May 31, 1913.*

I HAVE the honour to append below copy of an extract of a telegram just received from our Basra agents which we submit for your information, and with the hope that His Majesty's Government will be able to take measures to prevent any interruption in the navigation of the Euphrates and Tigris Rivers:—

"Arab tribes threaten to stop the navigation on the rivers unless His Majesty's consul gives them support against the Turkish Governor at Basra in voting local council decisions."

I have, &c.
FRED. W. PARRY, *Secretary.*

[25533] No. 288.

Conditions mises par la France à son Concours financier et fiscal à la Turquie.—(Communicated by M. Cambon, June 2, 1913.)

AFFAIRES religieuses et scolaires : délivrance d'office et sans frais des firmans réglementaires, statut des écoles, impôts, &c.

2. Observation en toutes circonstances du principe que les ressortissants français ne peuvent être détenus dans les prisons ottomanes.

3. Reconnaissance de la qualité de ressortissants français aux Tunisiens et aux Marocains.

4. Signature et mise en vigueur par iradé Impérial du compromis d'arbitrage dont le texte a été soumis à la Porte ottomane, le 16 mars, 1910.

5. Octroi au groupe recommandé par le Gouvernement français de la concession garantie ou de la construction et de l'exploitation, sur la base déjà envisagée, des lignes de chemin de fer suivantes :—

Samsoun à Sivas et Karpout avec privilège, dans le cas où le projet Chester ne recevrait pas de suite, pour le prolongement jusqu'à Diarbekir ; Tourkhal à Tokat ; Zililé à Yosgat ; Tchalts à Erzinghian, Pékiridj et Erzeroum, et éventuellement Trébizonde à Pékiridj, étant entendu, en ce qui concerne ces deux dernières lignes, que le concessionnaire sera tenu d'accepter les délais de construction qui lui seront fixés par le Ministère Impérial des Travaux publics après entente entre les Gouvernements ottoman et russe.

6. Concession à la Compagnie Daras-Hamah et prolongement de la ligne du chemin de fer de Rayak à Lydda et du privilège de son prolongement éventuel jusqu'à El Arisch, avec assignation pour la garantie de cette ligne des excédents des dîmes affectées à la garantie de celle de Rayak à Alep.

7. Établissement entre la Compagnie Damas-Hamah et prolongement de l'administration du chemin de fer du Hedjaz d'un arrangement laissant à la ligne de Beyrouth à Damas la totalité du trafic entre Damas et la mer.

8. Concession aux groupes, qui seront recommandés par le Gouvernement français, dans des conditions en permettant la construction et l'exploitation, des ports d'Inéboli, d'Héraclée, de Tripoli, de Caïffa et de Jaffa, et en outre de ceux de Trébizonde et de Samsoun dans le cas où le contrat d'études intervenu pour ces deux derniers avec la Banque nationale de Turquie ne recevrait pas de suite.

[25340] No. 289.

Note communicated by Russian Embassy, June 2, 1913.

LE consul de Russie à Bitliss a informé que les atrocités commises par les Kurdes augmentent de jour en jour. Il cite, entre autres exemples, sept cas de meurtres d'Arméniens et Syriens et de nombreux cas d'enlèvement de bétail.

La situation des Arméniens est devenu intolérable, surtout dans les régions de Hizan, d'Eroun et de Tatik, où les habitants n'osent plus quitter leurs demeures et ont cessé de cultiver leurs champs.

Les Arméniens du village Sanoun, terrorisés par les Kurdes, se transportent en grand nombre dans la région de Tatik avec l'intention d'émigrer en Russie.

Le caïmakan de cette région s'oppose à cette transmigration. Les autorités turques sont impuissantes de réagir.

Ambassade Impériale de Russie, Londres,
le 2 juin, 1913.

[25762] No. 290.

Memorandum communicated by Herr von Kühlmann, June 2, 1913.

(Translation.)

THE following documents respecting the Haidar Pascha Harbour Company are transmitted herewith to the Foreign Office by the German Embassy, with the request that they may be eventually returned :—

1. The annual reports of the company from 1907 to 1911 ;
2. The statutes of the company ;
3. The documents relating to the concession, together with the conditions of contract ("cahier des charges") and the tariff of dues.

Work on the harbour was commenced in the autumn of 1900 and pushed on so rapidly that it was possible to open it on the 14th April, 1903. The land for the harbour was reclaimed from the sea by filling up with earth, while the actual basin was formed by a breakwater 600 metres in length, with two light towers, and by two quays, 150 and 300 metres in length, meeting at right angles. The depth of the basin is from 7·5 to 8 metres, according to the state of the tide.

The dues leviable for the use of the harbour are laid down in the concession and set forth in a maximum tariff annexed to the concession. According to article 14 of the "cahier des charges" the various items of the maximum tariff can only be raised with the consent of the Turkish Government, but the company is entitled to levy lower dues of its own accord, and they have made use of this right. Any differential treatment of the ships, goods, and persons using the harbour is impossible under the concession, and has never occurred.

The fully paid-up shares of the Haidar-Pascha Harbour Company, amounting to 8,000,000 fr., are held by the Anatolian Railway Company, Constantinople, and the Bank for Oriental Railways, Zürich, while 5 per cent. bonds, also amounting to 8,000,000 fr., and issued under the guarantee of the Anatolian Railway Company, are held by the German public.

[25376] No. 291.

India Office to Foreign Office.—(Received June 2.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 31st May, 1913, regarding Koweit.

India Office, June 2, 1913.

Enclosure in No. 291.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *May 31, 1913.*

KOWEIT.

With reference to my telegram of the 18th April, I transmit a telegram received from the Resident, Persian Gulf :—

"Up to the 20th instant no intimation of the terms of the draft convention as regards Koweit had been made to the Sheikh of Koweit, on account of the precarious state of his health, as has been previously reported. In view, however, of the fact that Reuter's telegrams of the 17th instant, which would in the ordinary course be seen at Koweit, contained a forecast of the convention, I instructed the political agent to give the sheikh in an oral communication as from myself a general idea of what were considered by us to be the probable terms of the document, and at the same time to impress on him the fact that his position generally had been satisfactorily assured, for the attainment of which result it had doubtless been found necessary, as in the case of all amicable agreements, to adopt an attitude of give and take with regard to certain points of detail. A report has now been received from the political agent that the sheikh, on the whole, accepted fairly well the supremacy of Turkey, but that on

the question of the residence of a Turkish agent in Koweit he expressed with the utmost strength and vehemence his absolute refusal ever to permit it. The sheikh, in a perturbed condition of mind, subsequently visited the agency, when he had slept over the matter, in order to reiterate his refusal and to request that Government should be informed of it. It was, he pointed out, expressly as a defence against this contingency that his engagements with the British Government, which had been faithfully observed, had been concluded. The political agent has reason to think that the sheikh considers it possible that in this matter he has been sacrificed for the sake of some *quid pro quo*, and he is of opinion that the sheikh's resistance will yield to nothing short of the strongest coercion. He is not affected by the explanation given in the telegram of the 13th July last from the Government of India. I trust earnestly that the elimination of this item will be found possible. In the first place it is in reality a departure from the *status quo*, and in the second place, as has been urged, there is a Turkish representative in the person of the sheikh himself, as kaimakam. Perhaps a way of evading the difficulty would be the special appointment of one of his sons for the purpose of dealing with Turkish interests and cases. Owing to the disturbing situation that exists at Basra and Katif, we seem to have an excellent opening for warning the Turks that the sheikh has refused, and that it is dangerous to make an enemy of him in present circumstances, and important to lose no time in getting the convention settled. That an attempt will be made to get rid of or round the article by some device is my earnest hope."

[25351] No. 292.

Sir Edward Grey to Sir G. Lowther.

(No. 236.)
(Telegraphic.) *Foreign Office, June 2, 1913.*

MESSRS. LYNCH have received a telegram from their agent at Basra to the effect that Arab tribes threaten to stop navigation of Tigris and Euphrates.

Please ask His Majesty's consular officers at Basra and Bagdad at once for a report.

[25841] No. 293.

Sir Edward Grey to Sir F. Bertie.

(No. 351.)
Sir, *Foreign Office, June 2, 1913.*

M. CAMBON spoke to me to-day about the Bagdad Railway, urging that as regards the Financial Commission in Paris it would be very desirable that we should not make to Germany promises with which France could not be associated. The French Government were quite ready to come to an agreement with Germany about the Bagdad Railway, and would like the whole matter cleared up and got out of the way. He asked whether I could not suggest this to the Germans.

I said that I had already suggested to Herr von Kühlmann that the Germans should talk to the French about the railway. We had said that we would not oppose the railway if the Germans made with us the proposed agreement. It would now be for the French to get what guarantees they wanted for the region in which they were interested in railways, and then I hoped that the French and ourselves might come to an agreement with Germany as to the financial arrangements to be made by the Financial Commission in Paris in support of the railway.

I am, &c.
E. GREY.

[25842] No. 294.

Sir Edward Grey to Sir E. Goschen.

(No. 176.)
Sir, *Foreign Office, June 2, 1913.*

THE German Ambassador told me to-day of the anxiety in Berlin about Asiatic Turkey. Germany desired to see Turkey maintained in her possession, but, if other Powers made claims, Germany would have to put in her own claim. He had assured

the Chancellor that I had told him that there was no arrangement between France, Russia, and ourselves for dividing Asiatic Turkey.

I confirmed this, and said that I thought that there should be a comprehensive scheme of reforms for Asiatic Turkey, but that the reforms should be discussed by all the Powers. I thought that some reforms had been discussed in 1895.

The Ambassador said that these were for the Armenian vilayets only.

I replied that perhaps special provisions might be required for these vilayets, but there should be a scheme for the whole. We had been asked to lend officials to Turkey, but we were restricting our assent to the lending of officers for the gendarmerie in districts where they might be wanted urgently to prevent disorders from arising. If, some weeks hence, massacres occurred, and the Turks said that they had asked for help and been refused, it would be very disagreeable

The Ambassador agreed to this.

I also said that the employment of whatever officers were lent now would be provisional as regards the particular use made of them, though no doubt they might be absorbed in a larger scheme later on.

The Ambassador said that he was very glad to hear this. There could be no objection to lending officers for the gendarmerie. It had been reported from Constantinople that we were to organise a whole civil service for Turkey. This would have created apprehension, and it might have been taken to imply another Egypt.

I said that we had been asked for all sorts of inspectors and advisers, but for the very reason he named we had asked the Turks not to press for so much, as it would inevitably lead to trouble with the other Powers. My feeling was that a comprehensive scheme of reforms should be drawn up for Asiatic Turkey by the Powers in consultation with Turkey, and Europeans could then be selected for carrying out the reforms that had been internationally agreed to.

The Ambassador assented to these views.

I am, &c.
E. GREY.

[25845] No. 295.

Sir Edward Grey to Sir E. Goschen.

(No. 177.)
Sir, *Foreign Office, June 2, 1913.*

THE German Ambassador gave me to-day the following letter in connection with the Bagdad Railway:—

"Dear Sir Edward, "*London, May 31, 1913.*

"According to your desire, expressed in a previous conversation, I beg to give you the wording which we propose for the clauses intended to be put at the end of our contemplated agreement concerning the Bagdad Railway. The text would run as follows:—

(Translation.)

"'The preceding arrangements for the final settlement of all questions connected with the Bagdad Railway shall become operative only under the express condition—

"'1. That the result of the Paris Financial Commission's decisions shall guarantee that all losses which the Bagdad Railway may suffer through the rearrangement of conditions in the Balkans should be fully compensated by mortgaging other sources of revenue of equal value and, at least, equal security:

"'2. That the Turkish Government shall assign as guarantee sufficient sources of revenue for the building and running of the whole line from Konia to Basra, including branch lines, which, according to the concession, are entitled to guarantees.'

"I may explain that the question of providing adequate means for the Bagdad Railway does not seem bound up in principle with any increase in the customs. Experts point out that, provided Turkey is not burdened with a war indemnity of any sort, she will be able to find the necessary guarantees. Sources of such revenues seem to be the 'excédent des revenus diverses,' administered by the Dette publique, and perhaps the old 8 per cent. *ad valorem* duties of places where traffic is likely to increase after the completion of the Bagdad line.

"Believe me, &c.
"LICHNOWSKY."

He said that there were one or two other points that his Government thought should be considered. If we were to have two directors on the Bagdad Railway, German public opinion would expect one German director on the Navigation Company and one on the company that had charge of the dredging of the Shatt-el-Arab.

I said that we should be prepared to guarantee that the navigation would be kept open, and the Navigation Company would of course require a port. The Bagdad Railway had, I understood, the right to construct a port at Bagdad and Basra, but not necessarily the only port. It seemed to me, therefore, that the best plan would be for the Bagdad Railway Company to discuss with the British element of the Navigation Company how the ports should be made.

The Ambassador suggested that this and other details of the Bagdad Railway question should be discussed between Herr von Kühlmann and Mr. Parker or someone in this Department.

I agreed to this.

I urged that the Germans should discuss the question of the Bagdad Railway with the French, if a satisfactory agreement was to be come to at the Financial Commission in Paris for providing guarantees for the railway.

I am, &c.
E. GREY.

[25022] No. 296.

Foreign Office to Board of Trade.

(Confidential.)
Sir, *Foreign Office, June 2, 1913.*

I AM directed by Secretary Sir E. Grey to refer to the letter addressed to this department by the Admiralty on the 29th May on the subject of Mesopotamian oil concessions.

I am to inform you that Sir E. Grey concurs in the second and third paragraphs of this letter, and that he considers that the India Office should be represented at the forthcoming conference, which he understands is fixed for noon on the 5th June at the Board of Trade.

Sir E. Grey does not wish the question of the Anglo-Persian Oil Company's wells at Tchiah Sourkh raised at the proposed conference. These wells are at present in territory *de facto* administered by Persia, but it is probable that the territory in question will be transferred by Persia to Turkey as the result of the negotiations now proceeding at Constantinople on the subject of the Turco-Persian frontier. The Turkish Government are understood to be willing to confirm the rights possessed by the Anglo-Persian Oil Company in any territory which may be ceded by Persia to Turkey, and Sir E. Grey is dealing separately with the question in consultation with his legal advisers.

I am, &c.
LOUIS MALLET.

[25396] No. 297.

Sir G. Lowther to Sir Edward Grey.—(Received June 3.)

(No. 255.)
(Telegraphic.) *Constantinople, June 3, 1913.*

MY telegram No. 238 of 21st May.

I learn from D'Arcy that news has reached him from what he believes to be a reliable source that Grand Vizier, under German pressure, has informed Ministry of Mines that in his opinion concession should be given to Germans, but that Minister of Mines is opposing this course, as he holds that D'Arcy's proposal is the best before the Ministry.

[25397] No. 298.

Sir G. Lowther to Sir Edward Grey.—(Received June 3.)

(No. 256.)
(Telegraphic.) *Constantinople, June 3, 1913.*

FOLLOWING from consular officer at Bagdad, dated 2nd June:—

"May I enquire whether question of Bagdad–Basra Railway has been settled? If not, I would respectfully point out, with a view to the future, that it might be imprudent to barter prospective railway interests for immediate navigation advantages. It is possible, and to me it seems probable, that railway will kill navigation. Case of Indus River is not quite similar, but there a railway now exists on each bank and there are no commercial steamers, and even down-stream traffic by native boats is said to be dying out.

"In my humble opinion, prime interests here are irrigation and then the railway; and future of navigation, especially if the rivers are tapped by canals, is altogether problematical."

[25608] No. 299.

Sir Edward Grey to Sir G. Lowther.

(No. 237.)
(Telegraphic.) *Foreign Office, June 3, 1913.*

SIR H. BABINGTON SMITH states that Baron de Ward is offering an advance of 500,000*l.* in return for the Mesopotamian oil concession, and that the Turkish Government are seriously considering acceptance.

Have you any recent information?

[25435] No. 300.

Sir G. Lowther to Sir Edward Grey.—(Received June 4.)

(No. 483. Confidential.)
Sir, *Constantinople, May 30, 1913.*

I HAVE the honour to transmit to you herewith copy of a despatch from His Majesty's consul at Basra relating to the request of the British India Company for aid in obtaining permission to place a mooring buoy for their new large steamers in the centre of the river, and for a modification of the quarantine regulations now in force.

Mr. Crow, in asking for instructions for his guidance in this matter, points out with reason that the question of the buoy is one the decision of which would properly fall within the scope of the Riverain Commission when it comes into existence, and I fully subscribe to his view, that it is one in which direct dealings between that body and the local authorities would be valuable.

As regards the second point raised, namely, that of a modification of the quarantine regulations, I do not propose to take any steps here with the Sanitary Board until I receive your instructions on the question dealt with above, with which it is directly associated.

I have, &c.
GERARD LOWTHER.

Enclosure 1 in No. 300.

Consul Crow to Sir G. Lowther.

(No. 23. Confidential.)
Sir, *Basra, May 1, 1913.*

I HAVE the honour to transmit herewith enclosed to your Excellency copy of a letter and enclosures received from Mr. Wills, the manager of Messrs. Gray, Mackenzie, and Co., agents for the British India Steam Navigation Company at Basra, asking for my assistance, at the instance of the British India Company, in the following matters:—

1. To obtain permission to place a mooring buoy in the centre of the river opposite their premises for the anchorage of the British India steamers of increased size which that company are now building for the Persian Gulf mail service.

PUBLIC RECORD OFFICE, LONDON

2. To obtain permission from the quarantine authorities to allow the mail steamer to proceed direct to the proposed anchorage without waiting for disinfection of crew and passengers and pratique opposite the sanitary office as at present.

As regards the first point, it will be observed from the enclosed correspondence that a mutual arrangement was made through the consulate in 1912 with the local authorities and other shipping firms to reserve a berth for the weekly mail-boat opposite Messrs. Gray, Mackenzie, and Co.'s premises. No buoys were laid down, but the local authorities raised no objection to the mail-steamer anchoring there, provided the ship was not contaminated, and the German and Russian firms fell in with the arrangement without much demur. It was, in fact, very inconvenient for the consulate, the post office, and the shipping agents to have the mail-steamer as far away as the sanitary office. Some of the other firms, however, pointed out that the anchoring space in the port for ocean steamers was very restricted when the river was crowded, and, while promising to adhere to the arrangement as far as circumstances permitted, reserved the right to occupy the berth with one of their own vessels if it was vacant and no other place available. The system, however, has worked fairly smoothly since July 1912.

The British India Company now state that they are building larger steamers and require a reserved berth with buoyed moorings in the same direction, but in the middle of the river for the use of the fast mail, the slow mail, and any other steamers consigned to their agents. Personally, I think the matter would fall within the competence of the proposed Riverain Commission, and I am inclined to believe that some friction may arise with other shipping firms on the subject, as Mr. Wills evidently does not mean to restrict the use of these reserved moorings to the fast mail-steamers only, but states in his letter that the berth will be regularly occupied either by the fast or slow mail or by some other ship consigned to his care. For these reasons I hesitate to approach the authorities officially on the subject or make any permanent arrangement, of which the company would undoubtedly take advantage subsequently, lest it might be found to impair the navigation of the river and unduly favour Messrs. Gray, Mackenzie, and Co. to the prejudice of other shipping firms, in view of the very limited berthing accommodation in the port for ocean steamers. The deep-water anchorage at this part of the river is roughly only 300 yards wide, and it may be found inconvenient to buoy the space required for swinging a ship 400 feet in length at the exact point of the channel demanded by the agents of the British India Company.

The Admiralty chart of the Shatt-el-Arab, No. 1235, edition of the 3rd January, 1913, contains a plan of the anchorage in the port of Basra, and the premises on the banks are marked in detail. A reference to it may be convenient in order to understand the relative positions of the British India Company's offices, the custom-house and the sanitary office and quarantine camp. The main object of every ship is, of course, to get as far up as possible in order to be near the custom-house, and as M. Gloye very pertinently observes in his letter of the 13th July, 1912, copy of which is enclosed, the chief thing is for the various shipping companies to work in harmony with respect to steamer berths.

I understand from Mr. Wills that he himself anticipates no difficulty in persuading the commodore and port authorities to let him lay down a buoy, though I am not so sure that they would agree to its being placed in mid-channel, but in view of the negotiations now proceeding with respect to the Riverain Commission, I have urged him not to approach the local authorities again on the subject for the present. I have had no correspondence with the local authorities myself on this matter, and the vali's letter of the 10th July, 1912, approving of mail steamers anchoring in front of Messrs. Gray, Mackenzie's premises, was unsolicited by me, and merely the result of a direct application by Mr. Wills to the port authority to allow the mail steamers to be berthed there in view of our position in regard to the navigation of this river. I prefer to refer the matter for the opinion of the Foreign Office and to await their considered views before taking action locally, as I am aware they want nothing done which might impair the navigation of the river or impinge on the operations of the Riverain Commission. On such a point, the Riverian Commission might perhaps without impropriety, and with the concurrence of the Foreign Office, enter into direct communication with the local authorities.

As regards the second point, Messrs. Gray, Mackenzie, and Co. have already approached the sanitary authorities, as will be seen from the annex to their letter, and the Board state that they cannot comply with their request. It may, however, be possible for Dr. Clemow to obtain some modification of their ruling. The British India

Company, I understand, are prepared to meet the sanitary authorities in the matter, and will place a fumigating apparatus on board the new steamers to enable the crew to be disinfected on board while, as regards native passengers, Mr. Wills expresses his readiness to facilitate their conveyance to the quarantine camp by obtaining permission from his company to employ a launch to tow them there. The mail steamer crosses the bar at high tide and the tide is generally on the ebb by the time it reaches Basra. The extra distance from the sanitary office, where the mail steamers now take pratique, to Messrs. Gray, Mackenzie's offices is about half-a-mile. Under these conditions the delay should not be great, if any.

It seems to me unnecessarily stringent to detain the first class passengers on board the ship and to refuse pratique to the vessel until the crew and native passengers have been disinfected ashore—a somewhat lengthy proceeding, which means that passengers must spend the night on board and lose their connection with the Lynch river boat, if the mail steamer happens to arrive shortly or even an hour or more before sunset. I would, with all deference to quarantine regulations, venture to suggest that such stringency in the case of first class passengers is unreasonable and arbitrary, and that the doctor might fairly grant pratique after ascertaining, as he does on his examination, that the health of the ship is satisfactory. The health of those on board is not improved by waiting until the crew and native passengers are disinfected ashore, and the delay of several hours thus occasioned, is a serious matter for the ship, in view of the short time she remains in port. It would undoubtedly obviate much inconvenience if the sanitary council would modify their decision and allow the mail steamer to take pratique and proceed to her moorings after medical examination, leaving the other quarantine operations to be performed there, and I do not think such an arrangement would materially impair the efficiency of sanitary supervision.

Mr. Wills askes me to treat as confidential that part of his letter which deals with the construction of new vessels and the proposal to lay down permanent buoyed moorings, and I beg that his request may receive attention.

I have, &c.
F. E. CROW.

Enclosure 2 in No. 300.

Mr. Wills (British India Steam Navigation Company) to Consul Crow.

(Private and Confidential.)

Dear Crow, *Basra, April 20, 1913.*

WITH reference to my conversation with you regarding the laying of buoys for the use of mail-steamers opposite our offices.

As advised you, the company are building large steamers of about 400 feet in length for the fast Gulf service, and with the object of swinging safely, when at anchor at Basra, they consider a mooring buoy should be laid down.

There are only one or two places in the harbour where a vessel of this length can anchor, and then it is necessary for her to do so in the centre of the river, which, as you can understand, would be difficult unless there is some mark. There is not sufficient swinging room opposite the quarantine station, and the only two places, so far as I know, between that and the custom-house are one opposite the German's office and the other opposite ours.

We applied to the quarantine authorities for permission to allow mail-steamers to proceed direct to their anchorage opposite our office instead of, as they do at present, anchoring on arrival opposite the quarantine station until they receive pratique and all passengers and crew have been disinfected ashore. The delay caused to steamers through this regulation is about five to six hours or more, depending on the number of passengers on board, and same to vessels, such as the fast mail-steamers, which have only three days in port, is serious. We regret, however, the Sanitary Board could not see their way at the time to grant this facility, but we still hope, on the matter being again put before them, that they will agree. I enclose copies of correspondence exchanged in this connection.

The distance between this office and the quarantine station is roughly half-a-mile, and now that there is no quarantine against vessels from India, I should have thought that, if the fast mails were to slow down when passing the quarantine station and there pick up guardians, who would remain on board until pratique is given, the Sanitary Board would have no objection to their coming straight up to their berth,

especially if the company supply such vessels with a fumigating apparatus in accordance with Dr. Ramy's suggestion, so as to make it unnecessary for the crew to go ashore to be disinfected.

The Government have already allotted us the berth opposite to our office, as per official circular from the vilayet, copy of which I attach, so presumably they would have no objection to the company laying down the necessary buoys for mooring and to mark the anchorage so as to keep it clear for their steamers.

This company have two mail-steamers a-week calling at this port, besides extra steamers, so that the berth would regularly be occupied.

Mr. Carmichael, when writing, asked me to see you unofficially in the matter, as he wished everything kept private meantime; it is, however, most important that some arrangement should be come to with the quarantine authorities and for the laying down of buoys before the new steamers are put on the run, and I hope you will be able to arrange this through the embassy as suggested by you.

Yours sincerely,
CHARLES WILLS.

Enclosure 3 in No. 300.

The Vali of Basra to Consul Crow.

Basra, June 27 (*July* 10), 1912.

LOCAL authorities approve of mail-steamers anchoring in front of Messrs. Gray, Mackenzie, and Co.'s wharf as long as they are not infected with any disease.

Circular.

Communicated to British shipping agents with the request that they will in future leave a berth vacant in front of the British India Company's agents' premises for the mail-steamers.

F. E. CROW.

Basra, July 11, 1912.

Enclosure 4 in No. 300.

Russian Consul, Basra, to Consul Crow.

Mon cher Collègue, *Bussora, le 13 juillet*, 1912.

J'AI reçu votre note du 11 juillet courant, et je n'ai pas manqué de prévenir les agents des bateaux russes que la place en face du quai de Messrs. Gray, Mackenzie, and Co. doit être réservée pour la malle des Indes.

Veuillez, &c.
S. TOUKHOLKA.

Enclosure 5 in No. 300.

German Consul, Basra, to Consul Crow.

Dear Mr. Crow, *Basra, July* 11, 1912.

IN reply to your letter of to-day's date, I shall be very pleased to request the captains of our steamers not to anchor before Messrs. Gray, Mackenzie, and Co.'s wharf. In this case we shall expect Gray, Mackenzie, and Co. to request captains of all their boats not to occupy the anchorage in front of our house; this is to include the "Megna" and "Lotus."

Yours sincerely,
E. GLOYE.

Enclosure 6 in No. 300.

Consul Crow to Mr. Wills.

Dear Wills,

THIS seems fair; you can inform me that you will do so, and I will pass it on to the Germans. As anchor space is limited I think the request is reasonable, but it is, of course, the business of the local authorities to regulate these matters and not mine. I think, to avoid friction, you can give the undertaking required. It will secure your position, which, after all, is what you want.

Yours truly,
F. E. CROW.

P.S.—Please return.

F. E. C.

Enclosure 7 in No. 300.

Mr. Wills to Consul Crow.

Dear Crow, *Basra, July* 12, 1912.

I RETURN the letter which you received from Gloye, and note his request.

I cannot, however, agree with you that this request is reasonable, as we naturally cannot be satisfied with one berth when we have so many more steamers than they have. We have had in port at one time six steamers, whereas the Germans only have one steamer a month. Taking the last six months, the boats they have had number eight and ours fifty-three, not including the "Lotus" and the "Megna," which are more often than not in port. The latter, however, will be going up-river in accordance with the wishes of the local authorities, and we will do our best to leave the berth opposite the Germans vacant, but in the event of there being no other one available and a steamer of ours comes into port we naturally will have to take it.

We have not asked for similar facilities for Bucknall's steamers, which are as many as the Germans, but only for the mail boats, as they are at present eighty a year, and if the slow mail is weekly this number will be increased.

Yours sincerely,
CHARLES WILLS.

Enclosure 8 in No. 300.

German Consul, Basra, to Consul Crow.

Dear Mr. Crow, *Basra, July* 13, 1912.

THANKS for your letter of yesterday and for Wills's letters, which I return enclosed.

I quite agree with what Wills writes with regard to ocean steamers. The chief bother all along has been with the lighter steamers, and as these now must anchor above the Khandak creek there will be no more trouble in the future. The chief thing is that the various shipping companies work in harmony with respect to steamer berths.

Yours sincerely,
E. GLOYE.

Enclosure 9 in No. 300.

Consul Crow to Mr. Wills.

Dear Wills, *Basra, July* 15, 1912.

ENCLOSED from Gloye. Trust this will make matters easy for you.

Yours sincerely,
F. E. CROW

Enclosure 10 in No. 300.

Messrs. Gray, Mackenzie, and Co. to Dr. Ramy (Sanitary Office, Basra).

Dear Sir, *Basra, November* 27, 1912.

OWING to the delay caused through mail steamers anchoring in quarantine until pratique is granted before proceeding to the mail berth, we shall be much obliged if you will kindly ask permission from Constantinople for mail steamers on arrival to proceed direct to the mail berth, observing of course strict quarantine there until pratique is granted.

In many instances lately steamers have been unable to take up the mail berth owing to their requiring all the time at their disposal for cargo work, and also on account of repairs in the engine-room which can only be effected after steam has been shut down.

Thanking you in anticipation, yours faithfully,

GRAY, MACKENZIE, AND Co., *Agents.*

Enclosure 11 in No. 300.

Dr. Ramy to Messrs. Gray, Mackenzie, and Co.

Messieurs, *Bassora, le* 17 *février*, 1913.

J'AI l'honneur de vous faire connaître que l'Administration sanitaire, par sa lettre du 13 janvier, 1913, nous informe qu'il ne lui est pas possible de faire droit à la demande, faisant l'objet de votre lettre en date du 27 novembre, 1912, cette demande allant à l'encontre des dispositions réglementaires.

Veuillez, &c.

Le Médecin sanitaire,

DR. RAMY.

[25436] No. 301.

Sir G. Lowther to Sir Edward Grey.—(Received June 4.)

(No. 484.)

Sir, *Constantinople, May* 31, 1913.

REFERRING to my despatch No. 37 of the 15th January last, on the subject of the *tracé* of the Bagdad Railway, I now have to state that it has not been possible to procure a proper *tracé* of the line, as from all the information obtainable, it would seem that the only plans in the possession of the Public Works Department, are those prepared by the engineering staff of the company, which are purely technical in character and detail, and do not consequently show the relative position of the line in the country through which it will pass. I am, however, able to transmit herewith a list, which has been obtained, of all the stations on the line between Eregli and Bagdad, which the company in agreement with the Government have decided to put up.

On reference to sections "C. IV, Kaisarije," "D. IV, Adana," and "D. V, Haleb," of Kiepert's large map of Asia Minor (1911 edition), it will be found that a fairly accurate *tracé* of the line has been marked from Eregli "Kaisarije" section, to Harran, in the "Haleb" sheet, and it will also be observed that most of the stations mentioned in the enclosed list, are noted on these maps. The *tracé* from Harran to Nissibin has not been recorded on Kiepert's section "D. VI, Nsibin," but most of the places from which the stations take their names, appear on that sheet. Large sized maps of the country between Nissibin–Mossoul and Mossoul–Bagdad are not available, and therefore the approximate possitions of some of the principal stations on the line from Mossoul to Bagdad can only be found on Kiepert's general map of the Asiatic provinces (without Arabia) of the Ottoman Empire.

The line, as defined by the list of stations, is to follow the right bank of the Tigris after Mossoul, and it has been reported that the Public Works Department have been engaged in studying a project for the construction of a large railway and foot passenger bridge, which is to be thrown across the river at Bagdad. The recent stoppage, however, of all work on the Mossoul–Bagdad section, and the return of Meissner Pasha

to Aleppo, may, in the absence of any apparent reason, possibly be due to a reconsideration of the Mossoul–Bagdad *tracé*, which might eventually be made to follow the left bank of the Tigris, after passing Mossoul.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 301.

List of Stations on the Bagdad Railway between Konia and Bagdad.

Name of Station.	Kilometres.	Name on Maps.
Konia	..	
Kashin Han	20·370	
Tchoumra	42·282,20	
Arik-Euren	61·940,60	
Maudasson	80·682,77	
Karaman	102·235	
Sidrova	119·045	
Aynandju Derbend	147·870	
Aladja	172·012,80	
"C, IV, Kaisarije" section—		
Eregli	180·192,30	
Boulgourlu	198·891,61	
Tchayan	215·975	
Oulou Kishla	237·600	
Tchiftè Han	265·980	
Pozanti	281·552	
"D, IV, Adana" section—		
Kara Bunar (Bilémédik)	291·160	Polemedi Kapu.
Dorak	328·891	
Yenidjè	346·798	
Adana	369·000	
Indjurlik	382·290	
Kurkdjilar	390·994	
Missis	398·000	
Djeihan	419·700	
Veysieh	431·676	
Moustapha Bey	448·001	
Toprak Kalé	449·625	
Osmanieh	459·000	
Mamouré	467·980	Deirmen Odjak.
Baghteché	494·500	
"D, V, Haleb" section—		
Islahié	522·550	
Meidan Ekbes	548·750	Meidan Akbes.
Radjo	557·750	Radjân.
Kourt Koulak	593·050	Korkomk.
Katma	610·800	
Tel Rifad	628·100	Tel Rifad.
Maslémié	658·000	
Djéleb	683·021	
Achterin	696·500	
Tchoban Bey	716·450	
Akjé Koyounlu	737·400	Aktshe K.
Hulméné	757·150	Hulman.
Djerablus	771·700	
Zor Makara	786·700	Zor-ma'ara.
Séniftek	796·750	Siftek.
Arab Bunar	809·500	
Déniz	825·900	
Baghchich	850·400	Baghtsheigh.
Harran	876·800	
"D, VI, Nsibin" section—		
Han Barmuz	904·350	Chân-el-Ba'rûr.
Surudjhan	916·200	Serdjéchân.
Ras ul Ain	979·200	
Aroudé	1,016·900	T. Arad.
Djerbuch	1,031·950	Girbeshk.
Tél-el-Halif	1,062·500	
Sérdjéhan Makass	1,085·450	Serdjéchân.

Name of Station.	Kilometres.	Name on Maps.
"D, VI, Nisibin" section—*continued.*		
Nisibin	1,100·750	
Helwa Makass	1,122·000	Hélva.
Wadi Abbas Makass	1,139·450	Tel Tbas.
Wadi Rumel Makass	1,162·750	Kal'at er Rumêle.
Tel Djibal Makass.	1,183·750	
Tel Hawa Makass	1,203·100	
Wadi Mir Makass	1,223·900	
Késsik Kenpru	1,246·100	
Nédjanié	1,277·350	
Mossoul	1,295·000	
Hamam Ali	1,321·450	
Knura Makass	1,337·650	
Wadi Kassab Makass	1,353·650	Ouadi-el-Kasab.
Karaya	1,397·000	Tel Khiyâra.
Ker Nafia Makass.	1,383·300	
Shergad Akhshour	1,410·450	Kalaat Shergat.
Ain Dibbes Makass	1,428·100	
Meraz Makass	1,448·600	Maras.
Ikhremié	1,469·600	
Wadi Hamr Makass	1,491·550	
Tekrit	1,512·550	
Dour Makass	1,529·350	
Sékachiéré Makass	1,546·000	
Steyboulan Makass	1,563·050	Istâbôlat.
Beled	1,583·850	
Samreha	1,602·650	
Mushahédâ Mevkifi	1,638·300	
Fadjié	1,658·300	
Kazimié	1,679·120	
Bagdad	1,690·560	

[25613] No. 302.

India Office to Foreign Office.—(Received June 4.)

Sir, *India Office, June 2, 1913.*

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter of the 26th May regarding an anti-British article in a Turkish newspaper.

The article appears to have been written in Bagdad by the special correspondent (apparently a Turk) in India of the newspaper in question, and the Marquess of Crewe apprehends that it is not possible to control such persons or their writings.

I am, &c.

T. W. HOLDERNESS

[25497] No. 303.

General Post Office to Foreign Office.—(Received June 4.)

Sir, *General Post Office, London, June 2, 1913.*

I AM directed by the Postmaster-General to refer to your letter of the 9th ultimo, and to the subsequent correspondence between our Offices, and to the personal discussion at the Foreign Office on the 29th ultimo, on the proposals of the Turkish Government concerning the abolition in principle of the foreign post offices in Turkey, and the use as a provisional measure of Turkish stamps by those offices.

I am to acknowledge the receipt of a paraphrase of Sir G. Lowther's telegram of the 15th ultimo, and of a copy of a memorandum communicated to the Foreign Office by Hakki Pasha on the 24th ultimo.

I am also to enclose for the information of the Secretary of State a copy of a letter dated the 21st ultimo from the British Postmaster at Constantinople, and to draw attention more especially to the objections raised in the second paragraph thereof to which the Postmaster-General attaches considerable weight.

Mr. Samuel has now examined the question personally, and directs me to acquaint you, for the information of Sir E. Grey, that he concurs in the views expressed in the provisional reply sent from this Office in his absence (my letter of the 16th ultimo),

viz., that if on political grounds it is considered expedient to abolish the British Post Office agencies in Turkey, no objection would be raised by the Post Office, so long as an efficient Ottoman service is substituted and the agencies maintained by other foreign administrations are withdrawn at the same time.

Since the despatch of that letter, however, information has been obtained from the British offices concerned showing that sales to stamp-dealers account for about 1,100*l.* of the total revenue of those offices during the past financial year; so that, if receipts from this source are ignored, there was no excess of revenue over expenditure during that year.

It appears to the Postmaster-General essential that the stamps sold at the agencies should be distinguished in some way from those sold at Ottoman post offices or at the agencies of other Powers, unless the British agencies are to be conducted without any sufficient assurance that the correspondence entrusted to them for conveyance will be franked by stamps which they have sold, and therefore without any security of revenue, and at the risk of a substantial loss.

If, in the opinion of the Secretary of State, such a risk of loss ought to be accepted for adequate political considerations, Mr. Samuel would not desire to raise objection from a post office point of view, but he does not understand that the Secretary of State invites him at present to regard the matter in this aspect.

I am to add that the cost of maintaining the agencies will probably be increased in the future:—

(*a.*) Under the operation of the transit statistics taken during the past month which will come into effect on the 1st January next; and

(*b.*) By the probable necessity of meeting demands which have been received from the staff at Smyrna and Constantinople for increased remuneration in view of the increased cost of living at those places.

For all these reasons Mr. Samuel would suggest that the acceptance in principle of the provisional use of Ottoman stamps should be qualified by a statement that it presents serious practical difficulties, that in any case the stamps so used would have to be distinguished, whether by over-printing or otherwise, from those sold in Ottoman post offices or by the agencies of other powers, and that no definite commitment can be made until the various difficulties have been examined in detail by postal experts and a conclusion arrived at whether they can be surmounted, and, if so, on what conditions.

It occurs to the Postmaster-General as possible that, if the Ottoman administration is informed that a condition of the use of Ottoman stamps at the agencies will be that they are in some way distinguished from those sold at Ottoman post offices or the agencies of other powers, they may say that in these circumstances they are indifferent whether Ottoman or foreign stamps are used. The Postmaster-General would rather welcome such a conclusion, as with the over-printing of Ottoman stamps there would be an inducement to fraudulent over-printing which does not arise with the use of British stamps.

I am, &c.

E. CRABB.

P.S.—Your letter of to-day's date, is just to hand. The Postmaster-General concurs, so far as his department is concerned, with the terms of the proposed reply to Hakki Pasha, subject to the suggested interpolation after the words "British post offices" in the second paragraph on p. 4 of the words "or otherwise differentiate them from the stamps sold at Ottoman post offices or the agencies of other Powers." (*Vide* copy attached.)

E. C.

Enclosure in No. 303.

Postmaster, Constantinople, to General Post Office.

Sir, *British Post Office, Constantinople, May 21, 1913.*

I BEG leave to report, for the information of the Postmaster-General, that the Second Dragoman of the British Embassy called at this office at the request of the Ambassador and informed me that the Great Powers will probably shortly be invited to consider the question of handing over to the Ottoman Government the net profits

derived from the foreign post offices maintained in Turkey. His Excellency desired to know whether it would be possible for the foreign agencies to be worked free from interference or control on the part of Turkish officials in the event of Turkish postage stamps being sold in place of foreign stamps. This scheme, it will be remembered, was outlined in a leading article published in the "Levant Herald," a copy of which was submitted to the department on the 26th March, 1909.

I replied that although the proposal to use native stamps seemed practicable, it was open to several serious objections. For instance, the public might find it convenient to buy stamps from the Ottoman post office, whilst continuing to post their correspondence at one or other of the foreign post offices. In that case the cash receipts would shrink without a corresponding diminution of expenses, and the foreign offices might find themselves working at a loss. Of course, such an eventuality could be met by obtaining an undertaking from the Ottoman Government to make good any deficits, but there are obvious objections to that course.

Another objection to the proposed scheme would arise with correspondence addressed to places in Turkey where there are no foreign post offices. At present, when an "inland" letter is found in the letter box of this office, it is refranked with a Turkish stamp and transferred to the Ottoman post office. But if the foreign post offices sold Turkish stamps the public would naturally expect them to despatch letters to all parts of the Empire, and they might consequently be overburdened with correspondence addressed in Turkish characters.

In these circumstances I ventured to point out that if the foreign Governments concerned were really prepared to surrender the profits realised on postal operations in Turkey, it would be possible for the foreign post offices to continue to sell their own national stamps and to work along their present lines without loss to the revenues of this country. This object would be attained if the central administrations of the foreign post offices were to furnish the Ottoman Treasury with an annual statement showing details of the receipts and expenses connected with the upkeep of each group of offices. The net surplus profits shown in the statement could then be handed over to the Ottoman authorities. This plan would involve no extra expenditure, and existing arrangements would remain undisturbed. Furthermore, the profits, amounting to several thousands of pounds, now annually derived from the sale of foreign levant stamps to collectors and dealers would incidentally not be sacrificed.

I am, &c.
F. FERGUSON.

[25589] No. 304.

Manchester Chamber of Commerce to Foreign Office.—(Received June 4.)

Sir, *Manchester, June 2, 1913.*

I AM desired by the president of this chamber to express the earnest hope that before the increases recently mentioned by Sir Edward Grey as likely to take place in the Turkish tariff are actually made, a certain period, by way of notice to merchants, should intervene so as to permit them to adjust their fresh contracts to the new conditions. Owing to the busy state of the cotton textile and yarn markets, arrangements for delivery have to be made months beforehand, and it is essential that the longest possible notice should be given.

The president would be very grateful to Sir Edward Grey if he would endeavour to secure this.

I have, &c.
WALTER SPEAKMAN,
Secretary.

[25418] No. 305.

India Office to Foreign Office.—(Received June 4.)

Sir, *India Office, June 3, 1913.*

IN reply to your letter of the 2nd instant I am directed by the Secretary of State for India to inform you that he concurs in the terms of the draft reply which the

Secretary of State for Foreign Affairs proposes to address to Hakki Pasha with reference to His Highness's memorandum of the 1st May last.

I am, &c.
T. W. HOLDERNESS

[25514] No. 306.

India Office to Foreign Office.—(Received June 4.)

Sir, *India Office, June 3, 1913.*

IN reply to your letter of the 21st May on the subject of the Abu Musa oxide concession, I am directed to inform you that the Marquess of Crewe concurs generally in the criticisms of the Secretary of State for Foreign Affairs on the German proposals, but that he will await the views of the Government of India and the Resident in the Persian Gulf, to whom copies of your letter and its enclosures have been communicated, before discussing in detail the various points at issue. A copy of a telegram which his Lordship has addressed to the Government of India on the subject is enclosed herewith for your information.

With reference to the last paragraph of your letter, Lord Crewe would suggest for Sir E. Grey's consideration that the terms of the proposed *ad interim* reply to the German Ambassador might be modified, with a view to rendering its tone somewhat less conciliatory, and that it will suffice to inform his Excellency, after promising careful examination of Messrs. Wönckhaus's proposals, that "His Majesty's Government, without going into details for the present, think it unlikely that the counter-proposal of the firm will be found to afford a suitable basis of settlement, as, to quote one example only, appears from the difference between their position under the original contract and that which they now seek to obtain."

I have, &c.
T. W. HOLDERNESS.

Enclosure in No. 306.

Marquess of Crewe to the Government of India.

(Telegraphic.) P. *June 3, 1913.*

ABU MUSA.

I shall be glad to receive at the earliest date possible your views on the German proposals referred to in the papers forwarded by mail on the 16th and 23rd ultimo.

(Repeated to Resident, Persian Gulf.)

[25622] No. 307.

Mr. Greenway to Sir L. Mallet.—(Received June 4.)

Winchester House, Old Broad Street,
Dear Sir Louis Mallet, *London, June 3, 1913.*

I HAVE received a disquieting telegram from Mr. Stock at Constantinople. The message is slightly mutilated, but the following is doubtless the correct translation:—

"The following information is from the clerk at the Ministry of Mines:—

"Grand Vizier [has] informed the Minister of Mines he wishes to give the concession for the Bagdad and Moussoul petroleum [to] German group. Minister of Mines strongly opposed such action, adhering to [his] scheme adjudication. Suggest that inform Foreign Office in view of possibility strong but discreet representation [be made] to delegate in London [Hakki Pasha]. Four Grand Vizier may have purposely compromised Turkish Government please his German friends. Informing the Ambassador present position."

The position appears to be a serious one, and although the Ambassador will, of course, take immediate steps in the matter, I think that Mr. Stock's suggestion that representations on the subject be made to Hakki Pasha is a good one, if practicable. If Hakki Pasha can be persuaded to cable—for the matter is one, apparently, of some

urgency—to his Government the views of the Foreign Office in regard to the attitude of the Grand Vizier, the latter will doubtless hesitate before definitely committing himself to the Germans.

I should like, if possible, to discuss the question with you prior to the conference that has been fixed for noon on Thursday, and unless I hear from you to the contrary I would propose to call at 11·30 A.M. on that morning.

I enclose for your information copy of a memorandum of an interview between the Minister of Mines and Mr. Stock on the 29th ultimo.

Yours, &c.
C. GREENWAY.

Enclosure in No. 307.

Memorandum of Interview with the Minister of Mines.

AFTER several attempts to see him I was received to-day, and enquired if he had received a reply from the Sublime Porte, or generally any other communication. He said he had not, at which I expressed surprise that the business should be allowed to drag on. He replied that his colleagues were exceedingly busy at the present time, and could not give their attention to matters of this kind. I suggested that as the matter was of great importance to his department he might find means to induce the Ministers to give the matter a little of their time, and so enable us to get on with the business. He made no reply to this, but stated that we must not think we had any prior right in the matter. I replied that we had an undeniable right, and though our points of view were divergent on this particular subject at present, when the time came we would prove our position.

He repeated that neither the Germans nor ourselves have any rights whatever, and evidently meant this to be a formal statement. He went on to say that the vilayets would be put up to auction. I protested that it could not be done. He then said there was nothing to prevent him getting an offer for the concessions from us, and then ascertaining if the Germans would improve thereon. If they did he would come back to us with a view to our improving on the German offer, and so on. I told him we could not admit this course either.

The Minister, as usual, showed aversion to discuss the subject; he always appears uncomfortable when talking about the business, and confines himself entirely to the "auction" idea.

I concluded by saying that in the absence of the Porte's instructions no useful end could be served by our discussing a course to which we could not possibly agree, and asked when he hoped to have a reply. He said he could not say, but would let me know as soon as he received one.

I hear from the chief clerk that the Minister has received quite a number of visits from Baron de Ward and Mr. Edwards. Further, that the Minister has received communications on the concessions, which, however, he does not send down to the proper department, and this fact has given rise to a complaint by the chief mining engineer of the Ministry. The chief clerk tells me to beware of a *coup* by the Minister, but as this person is entirely under the control of Mahmoud Shevket Pasha, I do not think there is anything to fear in the way of a surprise.

May 28, 1913.

[25642] No. 308.

Board of Trade to Foreign Office.—(Received June 4.)

(Secret.)
Sir, *Board of Trade, June* 4, 1913.

IN reply to your letter of the 2nd June, transmitting copy of the draft of a communication which Sir E. Grey proposes to address to Hakki Pasha, I am directed by the Board of Trade to state that they concur generally in the terms of the draft, so far as it relates to matters with which this Department is concerned. They would, however, suggest, for Sir E. Grey's consideration, that the modifications of phraseology indicated in red ink on p. 3 of the enclosed copy of the draft might be made without disadvantage.

I have, &c.
GEO. J. STANLEY.

[25640] No. 309.

[Sir G. Lowther to Sir Edward Grey.—(Received June 4.)

(No. 259.)
(Telegraphic.) *Constantinople, June* 4, 1913.

YOUR telegram No. 228 of 29th May.

Following from consular officer at Basra :—

"(No. 40.)

"Your telegram No. 16.

"Dredger was tested 2nd June, for first time, at entrance to Ashar Creek for about half an hour. It did not appear to be strong enough or suitable for the purpose, and, as far as I could judge, raised less than 1 ton of mud and water in half an hour. I am informed it will be tested again."

[25644] No. 310.

Sir G. Lowther to Sir Edward Grey.—(Received June 4.)

(No. 260.)
(Telegraphic.) *Constantinople, June* 4, 1913.

YOUR telegram No. 237 of 3rd June: Mesopotamian oil.

I gather that the group represented by Baron de Ward offer to take half-million worth of Treasury bonds in return for concession, and that the Government is considering proposal favourably.

[25645] No. 311.

Mr. O'Beirne to Sir Edward Grey.—(Received June 4.)

(No. 202.)
(Telegraphic.) *St. Petersburgh, June* 4, 1913.

REFORMS in Asiatic Turkey.

Assistant Minister for Foreign Affairs informs me that he is awaiting your reply to communication which Russian Ambassador in London was instructed to make to you to the effect that the Russian Government preferred the third alternative mentioned in your telegram No. 424 of 28th May to me, but would desire a confidential and preliminary exchange of views of the three Ambassadors at Constantinople. His Excellency is anxious to know whether you have sent the necessary instructions to Sir G. Lowther.

He explained that some modifications might be necessary in the scheme of reforms drawn up in 1895, and that it was important that the three Powers should be in agreement on the subject.

[23608] No. 312.

Sir Edward Grey to Sir G. Lowther.

(No. 171.)
Sir, *Foreign Office, June* 4, 1913.

I TRANSMIT to your Excellency herewith a copy of a letter* from the chairman of the Ottoman railway from Smyrna to Aidin requesting the strenuous assistance of His Majesty's Government to secure the right of navigation on Lake Egerdir.

It will also be seen that Lord Rathmore complains of the action recently taken by the Ministry of Vakoufs at Constantinople in demanding that the company should dismantle their terminal station at Smyrna.

I have to request your Excellency to give your strong support to the company in both the subjects raised in his Lordship's letter.

I am, &c.
E. GREY.

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* No. 231

[25376] No. 313.

Foreign Office to India Office.

Sir, *Foreign Office, June 4, 1913.*

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 2nd instant in which you transmit a copy of a telegram from the British resident in the Persian Gulf on the subject of the draft agreement with Turkey regarding Koweit.

I am to state that Sir E. Grey is opposed to any communication being made at this stage to Hakki Pasha regarding the objections of the Sheikh of Koweit to a Turkish agent.

He is of opinion that the position should be fully explained to the sheikh; that the many advantages which accrue to him by reason of the draft agreement with Turkey should be judiciously but cogently laid before him; that, in particular, stress should be laid upon the wide definition of his territory, the settlement of his interests as a private proprietor in Turkey, and the fact that Turkey is expressly debarred from interference in the external or internal affairs of Koweit.

Sir E. Grey is of opinion that Sir P. Cox should, if necessary, proceed to Koweit to lay these considerations before the Sheikh, to whose acceptance of the agreement as it stands he attaches the utmost importance.

At the same time, I am to add that the sheikh will not be asked to receive an agent from Turkey until the agreement has actually been signed and ratified.

On the acceptance of the agreement by the sheikh Sir E. Grey considers that it might be wise to confer upon him some fresh decoration.

I am, &c.
LOUIS MALLET.

[25652] No. 314.

India Office to Foreign Office.—(Received June 5.)

Sir, *India Office, June 4, 1913.*

I AM directed by the Secretary of State for India to forward, for the information of the Secretary of State for Foreign Affairs, copy of a telegram that has been received from the Government of India repeating one from Sir P. Cox regarding the appointment of a Turkish agent at Koweit.

The provision for this appointment was not inserted in the draft convention without due consideration, and so far from the sheikh having been sacrificed (as he supposes) for some *quid pro quo*, the admission of a Turkish agent was, in fact, part of the price paid in order to secure the large claims made by the sheikh to the full extent to which His Majesty's Government felt that a *primâ facie* case could be made out for them. But it must be admitted that there is an anomaly in the appointment of a Turkish agent in a kaza of the Ottoman Empire which already has a Turkish kaimakam, and, on the other hand, it is difficult to overlook entirely the strong objections of the sheikh. The Marquess of Crewe would therefore suggest that if opportunity offers Hakki Pasha should be informed of the protest that has been made, and the Turkish Government be urged, in view of the general situation in Arabia and the undesirability of throwing the sheikh into the arms of Bin Saud, to let the appointment remain in abeyance for the time being, and—in the first instance, at all events—to appoint one of the sheikh's sons, as suggested by Sir P. Cox.

I am to enclose draft of a telegram which, in the meantime, his Lordship proposes, with Sir E. Grey's concurrence, to address to the Government of India on the subject.*

I am, &c.
T. W. HOLDERNESS.

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* Draft of telegram.

Enclosure in No. 314.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *May 31, 1913.*

KOWEIT.

With reference to my telegram of the 18th April, I transmit a telegram received from the Resident, Persian Gulf:—

"Up to the 20th instant no intimation of the terms of the draft convention as regards Koweit had been made to the Sheikh of Koweit, on account of the precarious state of his health, as has been previously reported. In view, however, of the fact that Reuter's telegrams of the 17th instant, which would in the ordinary course be seen at Koweit, contained a forecast of the convention, I instructed the political agent to give the sheikh, in an oral communication as from myself, a general idea of what were considered by us to be the probable terms of the document, and at the same time to impress on him the fact that his position generally had been satisfactorily assured, for the attainment of which result it had doubtless been found necessary, as in the case of all amicable agreements, to adopt an attitude of give-and-take with regard to certain points of detail. A report has now been received from the political agent that the sheikh, on the whole, accepted fairly well the supremacy of Turkey, but that on the question of the residence of a Turkish agent in Koweit he expressed with the utmost strength and vehemence his absolute refusal ever to permit it. The sheikh, in a perturbed condition of mind, subsequently visited the agency, when he had slept over the matter, in order to reiterate his refusal and to request that Government should be informed of it. It was, he pointed out, expressly as a defence against this contingency that his engagements with the British Government, which had been faithfully observed, had been concluded. The political agent has reason to think that the sheikh considers it possible that in this matter he has been sacrificed for the sake of some *quid pro quo*, and he is of opinion that the sheikh's resistance will yield to nothing short of the strongest coercion. He is not affected by the explanation given in the telegram of the 13th July last from the Government of India. I trust earnestly that the elimination of this item will be found possible. In the first place, it is in reality a departure from the *status quo*, and, in the second place, as has been urged, there is a Turkish representative in the person of the sheikh himself as kaimakam. Perhaps a way of evading the difficulty would be the special appointment of one of his sons for the purpose of dealing with Turkish interests and cases. Owing to the disturbing situation that exists at Basra and Katif we seem to have an excellent opening for warning the Turks that the sheikh has refused and that it is dangerous to make an enemy of him in present circumstances, and important to lose no time in getting the convention settled. That an attempt will be made to get rid of or round the article by some device is my earnest hope."

[25653] No. 315.

India Office to Foreign Office.—(Received June 5.)

Sir, *India Office, June 4, 1913.*

I AM directed by the Secretary of State for India to forward, for the information of the Secretary of State for Foreign Affairs, copy of a telegram that has been received from the Government of India regarding recent events in Nejd and their bearing on the agreement which is under negotiation with the Turkish Government.

The Marquess of Crewe agrees with the Government of India that it is impossible to raise the question of the status of Nejd at this stage of the negotiations, but His Majesty's Government cannot be altogether indifferent to the existence of a strong aggressive power in the Arabian hinterland. It has always been the policy of His Majesty's Government to abstain from intervention in those regions, but it would appear that, if direct Turkish authority were to disappear, some understanding either with the Turkish Government or with the *de facto* authority in Nejd would be necessary, if only because the latter would have—what it has never had in recent years, at all events—a footing on the Persian Gulf.

It appears from Sir P. Cox's telegram of the 30th May that Bin Saud's ambition is to become vali on behalf of the Turks, and it would seem advisable to ascertain

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informally from Hakki Pasha, with whom the situation could, if necessary, be quite frankly discussed, what the intentions of the Turkish Government are.

I am, &c.
F. W. HOLDERNESS.

Enclosure in No. 315.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *May* 31, 1913.

ANGLO-TURKISH Convention.

The Resident, Bushire, has telegraphed as follows :—

"I offer the following observations with diffidence, and on the ground that the matter may call for urgent consideration :—

"It is difficult to reconcile the expulsion of the Turks from Nejd and Hasa with the signature of article 10 of the draft convention. I have no idea whether it is the intention of His Majesty's Government to offer the Porte any advice, or whether they propose to let matters right themselves. On the one hand the convention seems to commit us afresh to recognising the suzerainty of Turkey over Nejd; on the other hand, assuming that its *de facto* ruler is to be Bin Saud, it is necessary, in view of our interests and work in the Gulf, that we should lose no time in establishing definite and friendly relations with him. Is there no conceivable possibility of inducing the Turks to recognise the logic of facts and to arrange with our help a satisfactory solution of the problem, which should be embodied in the convention? The basis of the solution might be the recognition of Bin Saud as autonomous ruler of Nejd, admitting Turkish suzerainty, and the grant to us of the right to treat him as one of the maritime rulers, to accredit an agent to him, and, with the knowledge of the Porte, to make agreements with him in connection with the suppression of piracy, slave trade, and the traffic in arms, and with our mission in the Gulf generally. It would, of course, be more satisfactory to see Nejd completely emancipated from the domination of the Turks, but the extent to which we are committed to the latter seems to put that out of the question."

In the circumstances it is presumed that His Majesty's Government will decide to await further developments, while keeping on friendly terms with Bin Saud. At this late hour it is apparently impossible to raise the question of the status of Nejd without incurring the risk of wrecking the negotiations.

[25774] No. 316.

India Office to Foreign Office.—(Received June 5.)

THE Under-Secretary of State for India presents his compliments to the Under Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Political Resident in the Persian Gulf, Bushire, dated the 4th June, 1913, regarding Bahrein.

India Office, June 5, 1913.

Enclosure in No. 316.

Lieutenant-Colonel Sir P. Cox to Government of India.

(Telegraphic.) P. *Bushire, June* 4, 1913.

BAHREIN.

In view of the forecasts which Reuter has recently published, the political agent was instructed by me to communicate informally to Sheikh Isa the general purport of the agreement so far as Bahrein is concerned. This he has done, and reports that on the whole the sheikh seemed pleased. As regards the surrender of Zakhnuniyeh he made no objection, and appeared to think the demand of Turkey a natural one, having regard to the proximity of the island to Ojair.

(Repeated to India Office.)

[25778] No. 317.

Sir G. Lowther to Sir Edward Grey.—(Received June 5.)

(No. 262.)
(Telegraphic.) *Constantinople, June* 5, 1913.

BUSHIRE telegram of 22nd May to Viceroy of India.

Following from consular officer at Basra, No. 41 of 4th June :—

"'Marmaris' arrived yesterday.

"Vali informed me that Hassa garrison, which embarked on board the 'John O. Scott,' left that vessel and returned to Katif in sailing-vessel, but no official communication had reached him on the subject.

"Composite battalion of 200 men arrived from Bagdad 30th May, and Resident reports more troops left yesterday, numbers not known.

"No movement apparent here so far for recovery of Hassa.

"Latest reports here are that Hassa garrison are returning to Basra.

"(Sent to embassy ; repeated to Bushire.)"

[25793] No. 318.

Sir G. Lowther to Sir Edward Grey.—(Received June 5.)

(No. 263.)
(Telegraphic.) R. *Constantinople, June* 5, 1913.

YOUR telegram No. 236 of 2nd June.

His Majesty's consul-general at Bagdad reports that up to the present he has no news of likelihood of disturbance in his district, although in the present state of unrest such disturbances might occur very suddenly.

His Majesty's consul at Basra states that the telegram referred to in your telegram above mentioned was from Lynch's manager in reply to enquiry from the firm. He had been informed that Arabs threatened to stop navigation if vali exercised power conferred on him by the new vilayet laws to enforce martial law, but he thinks that no such demonstration is likely, and the latest reports from Lynch's captains implies desire on the part of sheikhs to keep on good terms with the Turkish Government.

[25792] No. 319.

Lieutenant-Colonel Sir P. Cox to Viceroy of India.—(Received at Foreign Office June 5.)

(Telegraphic.) *Bushire, June* 5, 1913.

MY telegram of 30th May.

Report from political agent at Bahrein dated 1st June states that the major's force went to Ojair and not to Katif, and that, having landed 110 men, the major captured small tower with ten casualties. Leaving sixty men in possession, he returned to boats for guns, but, having reached boats, his men refused to return, and he had to abandon his sixty men and embark. Party in tower then surrendered to Bin Saud, who, after relieving them of their arms, sent them off to Bahrein. The whole force then left for Basra in the "John O. Scott" as already reported.

Political agent observes that presence of these men in Bahrein, and their use of the island as base of operations, has been objectionable and embarrassing to Sheikh Isa, and is calculated to drag him into dispute. He suggests that expediency of our now making protest be considered, and urges that in any case the Porte be warned that if they contemplate any fresh operations they must be carried out direct between Basra and some point on mainland without making use of Bahrein. I trust that this latter intimation can at all events be made.

(Addressed to India ; sent to Foreign Office and Basra by post.)

[25396] No. 320.

Sir Edward Grey to Sir G. Lowther.

(No. 239.)
(Telegraphic.) R. *Foreign Office, June 5, 1913.*

YOUR telegram No. 255 of 3rd June.

On 23rd May the following statement was handed to Hakki Pasha :—

"Mesopotamian oil concession.

"His Majesty's Government do not desire to introduce an additional point of this nature into their express conditions for assenting to the customs increase, but they rely upon the Ottoman Government to make without delay arrangements in regard to the oil wells of Mesopotamia which will ensure British control and meet with their approval in matters of detail."

Your Excellency should hand a similar statement to Grand Vizier and Minister for Foreign Affairs. (End of R.)

A meeting is to take place to-morrow at the Board of Trade with a view to seeking an amalgamation of the National Bank and D'Arcy groups in such a way as will secure British control over the oilfields.

[25845] No. 321.

Sir Edward Grey to Mr. O'Beirne.

(No. 434.)
(Telegraphic.) *Foreign Office, June 5, 1913.*

YOUR telegram No. 202 of 4th June.

The German Ambassador has twice spoken to me about this question, and yesterday informed me that he was instructed to bring it before the *réunion* to-day. I said the question of a comprehensive scheme of reforms for Asiatic Turkey would have to be considered by all the Powers, but that the *réunion* had decided at its last meeting that it would not embark on discussion of new questions beyond its original programme. German Ambassador did not raise the question to-day.

It is, however, most important that Russian Minister for Foreign Affairs should place the question before the Powers at once, otherwise a proposal may be made from some other quarter.

I would suggest that Russian Minister for Foreign Affairs should propose the alternative that he prefers simultaneously at all the five capitals. He could propose the scheme of reforms of 1895 as the base of discussion.

Meanwhile British Ambassador at Constantinople can enter upon discussion informally with his Russian and French colleagues at Constantinople as to any modifications that seem necessary in the scheme before formal discussion of the scheme at Constantinople with all the Ambassadors, which cannot begin till Russian Minister for Foreign Affairs has made his proposal to the five Powers and it has been accepted in principle.

(Repeated to Constantinople, No. 244.)

[25351] No. 322.

Foreign Office to Euphrates and Tigris Steam Navigation Company.

Foreign Office, June 5, 1913.

Sir,

WITH reference to your letter of the 31st ultimo, regarding the threatened interruption of navigation on the Euphrates and Tigris Rivers, I am directed by Secretary Sir Edward Grey to inform you that he has instructed His Majesty's Ambassador at Constantinople by telegram to obtain at once from His Majesty's consular officers at Bagdad and Basra a report on the matter.

I am, &c.
LOUIS MALLET.

[25928] No. 323.

Sir G. Lowther to Sir Edward Grey.—(Received June 6.)

(No. 266.)
(Telegraphic.) R. *Constantinople, June 6, 1913.*

YOUR telegram No. 239 of 5th June: Mesopotamian oil.

I have handed statement to Grand Vizier.

He declares positively that no promises have been made to any one, though Baron de Ward has been urging claims of his syndicate.

He assures me that he was awaiting result of negotiations which he understood were proceeding between National Bank and D'Arcy groups, and has so informed German parties interested.

[25533] No. 324.

Sir Edward Grey to Sir G. Lowther.

(No. 245.)
(Telegraphic.) R. *Foreign Office, June 6, 1913.*

FRENCH Government have communicated to us, and invited any observations we may desire to make on, the following conditions of their "financial and fiscal assistance" to Turkey :—

1. Settlement of religious and scholastic questions, including the status and taxation of schools, &c.

2. No French citizen to be detained in a Turkish prison.

3. Natives of Tunis and Morocco to be treated in every respect as French citizens.

4. Enforcement of the arbitration compromise submitted to the Porte on 16th March, 1910. What is this?

5. Grant of the following railway concessions, on the basis already contemplated, to the group approvedby the French Government :—

(*a.*) Samsoun to Sivas, with option of continuation to Diarbekir if the Chester project falls through.

(*b.*) Tourkhal to Tokat.

(*c.*) Zihlé to Yosgat.

(*d.*) Tchalts to Erzinghian, Pekiridj, and Erzeroum, and eventually Trebizond to Pekiridj, provided that, in regard to the two last-named lines, the concessionnaire must agree to the delay fixed by the Ottoman Government after agreement with the Russian Government.

6. Concession to the Damascus-Hamah Company of an extension from Rayak to Lydda, with the right of eventual extension to El Arish. (To this last extension we have objected, and M. Cambon said it would be dropped.) This line is to have a guarantee of the surplus tithes now assigned to the line from Rayak to Aleppo. Are there any prior claims on that surplus?

7. Traffic arrangements for the Damascus Company to have all the traffic between Damascus and the sea.

8. Concessions to French groups, under conditions favourable to the construction and administration of ports at Ineboli, Heraclea, Tripoli, Haiffa, and Jaffa, and at Samsoun and Trebizond, if the contract between the Ottoman Government and the National Bank lapses.

Please telegraph your observations on these points in so far as you think it necessary for us to make any reservations. Do any of the conditions conflict with existing concessions or financial obligations of Turkey?

(Repeated to Paris, No. 221.)

[20331] No. 325.

Sir Edward Grey to Sir G. Lowther.

(*No.* 173.) *Foreign Office, June* 6, 1913.

Sir,

WITH reference to your Excellency's despatch No. 360 of the 29th April, I transmit to you a copy of a minute by Mr. Malkin, acting assistant legal adviser, respecting the proposed transfer to Turkey of the territory now *de facto* administered by Persia in the vicinity of Zohab.

I also transmit to your Excellency a copy of the Persian concession granted to Mr. D'Arcy in 1901.

I agree with Mr. Malkin that in the agreement by which the frontier is defined the transaction should appear as a cession by Persia to Turkey of the territory in question, and your Excellency should aim at securing this object.

The draft of an article to this effect will be forwarded to your Excellency forthwith, and, after discussion with your Russian colleague, you should seek to have a French version of the draft article embodied in the final agreement.

I am, &c.

E. GREY.

Enclosure 1 in No. 325.

Minute by Mr. Malkin.

I HAD a long conversation with Mr. Greenway as to the provisions to be inserted in the treaty with the object of protecting the interests of the Anglo-Persian Oil Company in the transferred territory.

The object is—

(*a.*) To secure that Turkey will recognise and respect the rights of the company under their concession.

(*b.*) To prevent the Anatolian Railway from claiming that their alleged exclusive rights in the vilayets of Mosul and Bagdad exclude the Anglo-Persian Company from making their concession in the transferred territory.

(*a*) can easily be provided for; as to (*b*), please see the minutes on 33824/12 and 35252/12, and our despatch No. 405 to Constantinople of the 29th August, 1912. It would, I think, be necessary for the Anatolian Railway, in order to establish their case, to argue that the transferred territory formed part of the vilayets of Mosul and Bagdad at the time when their concession was granted. It would therefore considerably strengthen our position if in the agreement by which the frontier is defined the transaction should appear as a cession by Persia to Turkey of the territory in question, and not as a recognition by Persia of Turkey's rights to it; and I would suggest that this course should be adopted.

I have always understood from the papers I have seen and the conversations I have had on the subject that the arrangement proposed was that, as regards the transferred territory, Turkey should step into the shoes of Persia, recognising her obligations to allow to the company the rights granted to it under the concession by Persia, and being similarly entitled to the benefits thereby reserved to Persia (see the last three paragraphs of our despatch No. 405 to Constantinople of the 29th August last, referred to in our telegram No. 192 of the 21st April), and this seems to me by far the most convenient and safest course. When, however, I mentioned this to Mr. Greenway he said that this was not the arrangement he had made with Sir L. Mallet, which was that the position of his company should remain unchanged in the transferred territory. I asked him to explain a little more what he meant, and, after some discussion and reference to the provisions of the concession, it became apparent that, in effect, what he wanted was that Turkey should confirm to the company all its rights in the transferred territory (including, *e.g.*, the freedom from dues under article 7) and get none of the benefits, which should continue to go to Persia. I pointed out that it seemed unlikely that Turkey would consent to this, and that, even if she did, it was difficult to conceive of any arrangement more likely to lead to friction in the future, and to weaken the company's position in the event of difficulties being raised by the Anatolian Railway or other persons holding concessions from Turkey, since in that case

it would be to Turkey's interest to support the other concessionnaires in their attempt to squeeze out the Anglo-Persian. Mr. Greenway seemed to appreciate this, and finally said that he would be quite ready to accept the arrangement I have outlined above—provided, of course, that the company did not have to pay twice over. The practical point arises under article 10, under which Persia gets 16 per cent. of the net profits, and we agreed that this could be satisfactorily met by a provision that the company should not have to pay anything to Persia under that article on profits derived from wells in the ceded territory, such dues on profits being payable to Turkey, who should for that purpose have a right to inspect the company's books. Mr. Greenway said that they were not making any profits from these wells at present, but were merely keeping them open in the hope of a local demand arising with the construction of the Bagdad Railway. In that event it might be convenient to form a new company to work these wells, and he would like a provision specifically empowering them to be so inserted.

Mr. Greenway said that it would have been impossible for them to lay a pipe-line to the Persian Gulf on the Persian side of the frontier, and if they had ever wanted one they would have had to get permission from Turkey to lay it on that side. He wanted it provided that the right conferred by article 2 should extend to laying pipe-lines through Turkish territory not included in the cession by Persia. This point has been raised by Sir G. Lowther (18111/13), and I think that such a provision should certainly be inserted.

Enclosure 2 in No. 325.

Concession granted to Mr. D'Arcy.

[Enclosure in Sir A. Hardinge's No. 16, Commercial, May 30, 1901.]

ENTRE le Gouvernement de Sa Majesté Impériale le Schah de Perse d'une part, et William Knox D'Arcy, rentier, demeurant à Londres, No. 42, Grosvenor Square (ci-après désigné par l'expression "le concessionnaire"), d'autre part, il est par ces présentes convenu et arrêté ce qui suit, savoir :—

ARTICLE 1er.

Le Gouvernement de Sa Majesté Impériale le Schah octroie au concessionnaire par ces présentes le privilège spécial et exclusif de rechercher, obtenir, exploiter, développer, rendre propres pour le commerce et emporter et vendre le gaz naturel, le pétrole, l'asphalte et l'ozokérit, dans toute l'étendue de l'Empire persan, pour une durée de soixante années à dérouler de la date des présentes.

ARTICLE 2.

Ce privilège comprendra le droit exclusif d'installer les "pipe-lines" nécessaires des gisements où il serait trouvé l'un ou plusieurs desdits produits jusqu'au Golfe Persique, ainsi que les embranchements de distribution nécessaires. Il comprendra aussi le droit de construire et entretenir tous puits, réservoirs, stations et services de pompes, d'accumulation et de distribution, usines et autres travaux et agencements qui seraient jugés nécessaires.

ARTICLE 3.

Le Gouvernement Impérial persan concède gratuitement au concessionnaire tous les terrains non cultivés appartenant à l'État que les ingénieurs du concessionnaire jugeront nécessaires pour la construction de tout ou partie des travaux ci-dessus mentionnés. Quant aux terrains cultivés appartenant au Gouvernement, le concessionnaire devra les acheter au prix équitable et courant de la province. Le Gouvernement Impérial accorde également au concessionnaire le droit de faire acquisition de tous autres terrains ou bâtiments nécessaires pour le même objet, du consentement des propriétaires, aux conditions qui pourront être arrêtées entre lui et eux sans qu'il leur soit permis d'élever des prétentions de nature à surcharger les prix ordinairement en usage pour les terrains situés dans leurs localités respectives.

Les lieux-saints et toutes leurs dépendances, dans un rayon de 200 archines persans, sont formellement exclus.

ARTICLE 4.

Comme trois mines de pétrole situées à Schouster, à Kassre-Chirine, province de Kermanschahan, et Daléki, près de Bouchir, sont actuellement affermées à des particuliers et produisent annuellement un revenu de 2,000 tomans au profit du Gouvernement, il a été convenu que ces trois susdites mines sont comprises dans l'acte de concession, conformément à l'article 1er, à condition que, outre les 16 pour cent mentionnés à l'article 10, le concessionnaire payera chaque année la somme fixe de 2,000 tomans au Gouvernement Impérial.

ARTICLE 5.

Le tracé des "pipes-lines" sera fixé par le concessionnaire et ses ingénieurs.

ARTICLE 6.

Nonobstant ce qui est contenu ci-dessus, le privilège accordé par les présentes ne s'étendra pas aux provinces d'Azertadjan, Ghilan, Mozandaran, Asdrabad et Khorassan, mais à la condition explicite que le Gouvernement Impérial persan n'accordera à aucune autre personne le droit de construire un "pipe-line" aux fleuves du sud ou à la côte méridionale de la Perse.

ARTICLE 7.

Tous les terrains accordés par ces présentes au concessionnaire ou qui seront acquis par lui de la manière prévue aux articles 3 et 4 des présentes, ainsi que tous les produits exportés, seront francs de tous impôts et taxe pendant la durée de la présente concession. Tous les matériaux et appareils nécessaires pour l'exploration, l'exploitation et le développement des gisements et pour la construction et le développement des "pipe-lines" entreront en Perse francs de tous taxes et droits de douane.

ARTICLE 8.

Le concessionnaire devra faire partir immédiatement pour la Perse et à ses propres frais, un ou plusieurs experts dans le but d'explorer la région où existent, comme il le croit, lesdits produits, et dans le cas où le rapport de l'expert serait, selon l'opinion du concessionnaire, d'une nature satisfaisante, ce dernier devra envoyer immédiatement en Perse, et à ses propres frais, tout le personnel technique nécessaire avec le matériel d'exploitation et les machines nécessaires, pour forer et forcer des puits et prouver la valeur de la propriété.

ARTICLE 9.

Le Gouvernement Impérial persan autorise le concessionnaire à fonder une ou plusieurs sociétés pour l'exploitation de la concession. Les noms, les statuts et le capital de ces sociétés seront fixés par le concessionnaire, et les administrateurs seront choisis par lui, à la condition expresse qu'à la constitution de chaque société le concessionnaire donnera avis officiel de cette constitution au Gouvernement Impérial par intermédiaire du commissaire Impérial, et remettra les statuts avec l'indication des lieux où cette société doit fonctionner. Cette société ou ces sociétés jouiront de tous les droits et privilèges accordés au concessionnaire, mais elles devront prendre à leur charge tous ses engagements et responsabilités.

ARTICLE 10.

Il sera stipulé au contrat entre le concessionnaire d'une part, et la société d'autre part, que cette dernière devra, dans le délai d'un mois à partir de la constitution de la première société d'exploitation, payer au Gouvernement Impérial persan une somme de 20,000 livres sterling espèces et une somme additionnelle de 20,000 livres sterling en actions entièrement libérées de la première société fondée en vertu de l'article précédent. Elle devra payer également audit Gouvernement annuellement une somme égale au 16 pour cent des bénéfices annuels nets de toute société ou de toutes sociétés qui pourraient être constituées conformément audit article.

ARTICLE 11.

Ledit Gouvernement sera libre de nommer un commissaire Impérial, lequel sera consulté par le concessionnaire et les administrateurs des sociétés à former; il fournira tous les renseignements utiles en son pouvoir et il leur indiquera la meilleure ligne de conduite à suivre dans l'intérêt de l'entreprise.

Il établira, d'accord avec le concessionnaire, le contrôle qu'il jugera utile pour sauvegarder les intérêts du Gouvernement Impérial. Les susdits attributions du commissaire Impérial seront indiquées dans les statuts des sociétés à créer. Le concessionnaire payera au commissaire ainsi nommé une somme annuelle de 1,000 livres sterling pour ses services à partir de la date de la constitution de la première société.

ARTICLE 12.

Les ouvriers employés au service de la société devront être sujets de Sa Majesté Impériale le Schah, exception faite du personnel technique, tel que les directeurs, ingénieurs, perforateurs et contre-maîtres.

ARTICLE 13.

Dans tout lieu où il pourrait être établi que les habitants du pays obtiennent actuellement du pétrole pour leur propre usage, la société devra leur fournir gratuitement la quantité de pétrole qu'ils se procuraient eux-mêmes auparavant; cette quantité sera établie d'après leurs propres déclarations, sous la réserve du contrôle de l'autorité locale.

ARTICLE 14.

Le Gouvernement de Sa Majesté Impériale s'oblige à prendre toutes les mesures qui seraient nécessaires pour assurer la sûreté et l'exécution de l'objet de cette concession et du matériel et des appareils dont il est fait mention pour les objets de l'entreprise de la société et protéger les représentants, agents et employés de la société. Le Gouvernement Impérial ayant ainsi exécuté ses engagements, le concessionnaire et les sociétés créées par lui ne pourront sous aucun prétexte réclamer des dommages-intérêts au Gouvernement persan.

ARTICLE 15.

A l'expiration de la durée de la présente concession tous les matériaux, bâtiments et appareils dont il serait alors fait usage par la société pour l'exploitation de son industrie deviendront la propriété dudit Gouvernement et la société n'aura droit à aucune indemnité de ce chef.

ARTICLE 16.

Si dans le délai de deux ans à partir de la présente date le concessionnaire n'a pas établi la première desdites sociétés autorisées par l'article 9 de la présente convention, la présente concession sera nulle et non avenue.

ARTICLE 17.

Dans le cas où il viendrait à s'élever entre les parties intervenant à la présente concession toute question ou tout différend au sujet de son interprétation ou des droits ou responsabilités de l'une ou l'autre des parties en résultant, cette question ou ce différend sera soumis à deux arbitres, à Téhéran, dont l'un sera nommé par chacune des parties, et à un tiers arbitre, qui sera désigné par les arbitres avant de procéder à l'arbitrage. La décision des arbitres, ou, dans le cas où ces derniers ne tomberaient pas d'accord, du tiers arbitre, sera concluante.

ARTICLE 18.

Cet acte de concession fait en double est écrit en langue française et traduite en langue persane avec la même signification; mais dans le cas où il viendrait à surgir toute contestation relative à cette signification, ce sera le texte français qui seul prévaudra.

Téhéran, le mai, 1901 (*le séfer*, 1319, *de l'Hégire*).

[25929] No. 326.

Sir Edward Grey to Sir G. Louther.

(No. 174.)

Sir, *Foreign Office, June 6, 1913.*

SIR A. NICOLSON told the Turkish Ambassador on the 4th instant that one or two Powers had, with the desire—a desire by which all the Powers were animated—to fortify and consolidate the Ottoman Empire in Asia, approached His Majesty's Government with the view of elaborating as speedily as possible a project of reforms for Asiatic Turkey to be submitted to the Porte. In these circumstances it would be proceeding in an inverted order to nominate functionaries to carry out reforms which had not been instituted, and it was clearly more logical and practical to draw up and have a project of reforms ready, and then to discuss the question of foreign advisers, &c. To this Tewfik Pasha agreed.

Sir A. Nicolson added that if his Government anticipated disorders His Majesty's Government would be ready to lend a few officers to organise a gendarmerie, but their employment would have to be in the first instance provisional.

Tewfik Pasha said that the maintenance of security was essential and urgent; that order was being maintained at present by the troops, but that these were not the best force for the purpose, and that a gendarmerie was necessary.

Sir A. Nicolson said that he would report to me what his Highness had said.

I am, &c.

E. GREY.

[21191] No. 327.

Foreign Office to India Office.

(Secret.)

Sir, *Foreign Office, June 6, 1913.*

WITH reference to previous correspondence, I am directed by Secretary Sir E. Grey to transmit to you, to be laid before the Secretary of State for India, the accompanying copy of a semi-official communication made by the German Embassy on the 4th instant respecting the Bagdad Railway negotiations.*

I am also to enclose the drafts of a memorandum and a declaration which, subject to the concurrence of the Secretary of State for India, Sir E. Grey proposes to communicate to the German Ambassador on the 10th instant.*

Sir E. Grey considers that there is advantage in securing an undertaking from the German Government with regard to the exclusion of differential treatment on the Bagdad Railway system, corresponding to the undertaking which that Government desire from His Majesty's Government in regard to the river.

He understands, from informal communication with the German Embassy, that the German Government would be satisfied if, in the event of the chairman of the proposed Ottoman Navigation Company being called upon to exercise his casting vote, the suggested German director were excluded by the statutes of the company from voting at all. This, it is suggested, would overcome the risk of British control, which to be exercised by means of the chairman's casting vote, being endangered.

As regards the suggested advisory commission to make recommendations to the Shatt-el-Arab Conservancy Commission, Sir E. Grey is not disposed to agree to such an institution; but he considers that it might be well to provide that the Conservancy Commission should have powers of direct correspondence with the foreign consuls at Basra, and that the latter should, in a purely advisory capacity, have the right of making recommendations.

Sir E. Grey understands that the Bagdad Railway Company would be prepared to allot at least 40 per cent. in the construction of Basra harbour to British firms.

Sir E. Grey had, some time ago, given the National Bank of Turkey an assurance that if British participation in the Bagdad Railway were arranged, the bank should be the concessionnaire for the British share. He feels therefore that, inasmuch as the construction of the port of Basra is provided for under the Bagdad Railway Convention, the National Bank might consider that they had a prior claim to any British share in this work, making the necessary financial arrangements with British contractors to carry it out.

* For enclosures see No. 328.

Sir E. Grey would, however, be glad to have the views of the India Office as to the necessity for the intervention of a bank in such an enterprise.

I am, &c.

LOUIS MALLET.

[21191] No. 328.

Foreign Office to Board of Trade.

(Secret.)

Sir, *Foreign Office, June 6, 1913.*

WITH reference to previous correspondence, I am directed by Secretary Sir E. Grey to transmit to you to be laid before the Board of Trade, the accompanying copy of a semi-official communication made by the German Embassy, on the 4th instant, respecting the Bagdad Railway negotiations.

I am also to enclose the drafts of a memorandum and a declaration which, subject to the concurrence of the Board of Trade, Sir E. Grey proposes to communicate to the German Ambassador on the 10th instant.

Sir E. Grey considers that there is advantage in securing an undertaking from the German Government with regard to the exclusion of differential treatment on the Bagdad Railway system, corresponding to the undertaking which that Government desire from His Majesty's Government in regard to the river.

He understands, from informal communication with the German Embassy, that the German Government would be satisfied if, in the event of the chairman of the proposed Ottoman Navigation Company being called upon to exercise his casting vote, the suggested German director were excluded by the statutes of the company from voting at all. This, it is suggested, would overcome the risk of British control, which is to be exercised by means of the chairman's casting vote, being endangered.

Sir E. Grey would be glad to learn if, provided such a stipulation is embodied in the statutes of the company, it would be necessary to limit the powers of the German representative on the board to a "voix consultative."

As regards the suggested advisory commission, to make recommendations to the Shatt-el-Arab Conservancy Commission, Sir E. Grey is not disposed to agree to such an institution, but he considers that it might be well to provide that the Conservancy Commission should have powers of direct correspondence with the foreign consuls at Basra, and that the latter should, in a purely advisory capacity, have the right of making recommendations.

Sir E. Grey understands that the Bagdad Railway Company would be prepared to allot at least 40 per cent. in the construction of Basra harbour to British firms.

Sir E. Grey had, some time ago, given the National Bank of Turkey an assurance that if British participation in the Bagdad Railway were arranged, the bank should be the concessionnaire for the British share. He feels, therefore, that inasmuch as the construction of the port of Basra is provided for under the Bagdad Railway Convention, the National Bank might consider that they had a prior claim to any British share in this work, making the necessary financial arrangements with British contractors to carry it out.

Sir E. Grey would, however, be glad to have the views of the Board of Trade as to the necessity for the intervention of a bank in such an enterprise.

Sir E. Grey would be glad if the Board of Trade would suggest the wording of Annex No. 1 to the draft declaration, laying down the conditions for the control of the port of Basra. The conditions should, if possible, approximate to those obtaining at Haidar Pasha.

I am, &c.

LOUIS MALLET.

Enclosure 1 in No. 328.

Notice.

FROM previous conversations concerning details of the negotiations about the Bagdad Railway, it appears that there is a desire for British representation in the port of Basra.

The directors of the Bagdad Railway Company have no objection in principle to this. They intend to organise the Basra Harbour Company on lines practically analogous to those of the Haidar Pasha Harbour Company, the details of which have been communicated to the Foreign Office. The directors of the Bagdad Railway Company are inclined to give British capital 30 per cent. of the total capital of the Basra Harbour Company, and to elect on the board of this company, which would build and run the Basra Harbour, the two English members sitting on the Bagdad Railway Company board. These concessions are conditional upon German interests getting a representation in the bodies superintending the waterways from the Persian Gulf to Bagdad. If a representative of the Bagdad Railway Company could sit in the Turkish Commission, to which the conservancy of the Shatt-el-Arab is going to be entrusted, the German interests and the Imperial Government would prefer such a solution. If, however, this should not be possible, it may be found feasible to create a purely advisory commission, which might recommend to the Ottoman conservancy board alterations and improvements of the Shatt-el-Arab waterway.

In the Board of the Euphrates and Tigris River Steamship Company, to which practically a monopoly shall be given, important German shipping interests demand one German representative to watch over the strict enforcement of our arrangements for the exclusion of any differential treatment by the River Navigation Company. The Imperial Government believes that in German shipping circles and public opinion in general the idea of a monopoly will not be popular, and that they could not see their way to agree to a monopoly unless the appointment of one representative of the German interests to the Board provided a moral guarantee against possible discrimination. Germany would claim no share in the capitalisation of the River Company.

Enclosure 2 in No. 328.

Memorandum for the German Ambassador.

SIR E. GREY has had under careful consideration the record of the conversation which took place at the German Embassy on the 7th May between Herr von Kühlmann and Mr. Parker respecting the Bagdad Railway.

Sir E. Grey understands that a copy of this record is in possession of the German Embassy, and he now has the honour to state that His Majesty's Government would be prepared to conclude an arrangement on the basis of the paragraphs numbered 1, 2, and 3.

With regard to paragraph 4, His Majesty's Government have negotiated a convention (which has been initialled *ad referendum*) with the Ottoman Government for the establishment of an Ottoman Commission, which is to be entrusted with the improvement of conditions of navigation on the Shatt-el-Arab. One of the two commissioners will be a British subject, and the draft convention provides that the Shatt-el-Arab shall be open to the ships of all nations. It further provides that any dues shall be levied on a basis of absolute equality without regard to the nationality of sea-going vessels or their cargoes.

With regard to paragraph 2, point (*d*) His Majesty's Government would suggest that any control at Basra secured to the Ottoman Government should be exercised through the proposed Shatt-el-Arab Commission.

As regards paragraph 5, His Majesty's Government would, on the conclusion of the proposed arrangement, and on receiving an assurance that there would be no discrimination against British merchandise either in railway rates or in traffic facilities, be prepared to give an undertaking similar to that contained in article 3 of the Russo-German agreement of the 19th August, 1911, viz. :—

"Reconnaissant l'importance générale qu'aurait pour le commerce international la réalisation du Chemin de Fer de Bagdad, le Gouvernement russe s'engage à ne pas prendre de mesures visant à en entraver la construction ou à empêcher la participation de capitaux étrangers à cette entreprise, à condition, bien entendu, que cela n'entraîne pour la Russie aucun sacrifice de nature pécuniaire ou économique."

The draft of an agreement on the lines referred to above has been prepared, and is submitted herewith for the consideration of the German Government.

Foreign Office, June 1913.

Enclosure 3 in No. 328.

Draft Anglo-German Declaration.

HIS Britannic Majesty's Government declare that they will not oppose the construction and management by the Bagdad Railway Company of the proposed railway between Bagdad and Basra.

2. The Bagdad Railway Company, having agreed, in so far as they are concerned on the following arrangements with the Imperial Ottoman Government, the Imperial German Government, so far as concerns themselves, hereby adhere to the said arrangements and confirm them and guarantee their due execution :—

(*a.*) The construction of a branch from Basra (Zubeir) to the Persian Gulf, referred to in article 1 of the Bagdad Railway Convention of the 5th March, 1903, shall be indefinitely postponed, and shall in no case be undertaken unless and until there is complete agreement on the subject between His Britannic Majesty's Government, the Imperial German Government, and the Imperial Ottoman Government.

(*b.*) In the event of the construction of the said branch being eventually undertaken, the Bagdad Railway Company, while desiring to participate in the construction, forgoes all claim to participate in the management; though adequate arrangements shall be made to secure facilities for through traffic from and to the Bagdad Railway Company's system.

(*c.*) The terminus of the Bagdad Railway Company's line shall be at Basra; and the Bagdad Railway Company shall renounce all claims, whether under article 23 of the Bagdad Railway Convention of the 5th March, 1903, or in any other way derived, to build a port or railway terminus on the Persian Gulf.

(*d.*) The construction of the proposed port at Basra shall be executed in a manner to be mutually agreed upon, and so that British participation in the undertaking shall amount to 50 per cent. of the whole.

The control of the port of Basra shall be exercised as provided in Annex No. 1 attached to the present declaration.

(*e.*) Two British directors, selected from a list of candidates to be submitted by His Britannic Majesty's Government, shall be admitted to the Board of the Bagdad Railway Company; and no discrimination, direct or indirect, shall be permitted on the Bagdad Railway Company's system, either as regards facilities or rates of charge for the conveyance of like articles between the same points on account of the ownership, origin, or destination of goods presented for transport, or in any other manner whatsoever.

3. The Imperial German Government declare that they will in no case themselves establish, or support any claim by any persons or corporations whatsoever to establish, a port or railway terminus on the Persian Gulf, without the prior assent of His Britannic Majesty's Government.

4. The Imperial German Government undertake that they will in no wise encourage or support claims on the part of German subjects to participate in any enterprise of navigation on the Rivers Tigris and Euphrates.

It is nevertheless understood that this article in no wise affects the rights conceded by article 9 of the Bagdad Railway Convention of the 5th March, 1903, relative to the importation of materials exclusively destined for the construction of the Bagdad Railway, except in so far that it is hereby expressly agreed that the said rights shall not continue to be exercised for more than five years from the date of signature of the present Declaration.

It is further agreed that if an arrangement, to the satisfaction of the parties concerned, can be made for the conveyance by river of the said materials through British or Ottoman agency, His Britannic Majesty's Government and the Imperial German Government will lend their best endeavours to the conclusion of such an arrangement.

5. His Britannic Majesty's Government will use their best endeavours to secure that the navigation of the Shatt-el-Arab shall be carried on on terms of absolute equality for the vessels of all nations without regard either to the nationality of the vessels or of their cargoes.

6. (Article corresponding to article 3 of the Russo-German Agreement of the 19th August, 1911).

7. No discrimination shall be made by the concessionnaires for river navigation on the Tigris and Euphrates as regards facilities or rates of charge for the conveyance of

like articles between the same points on account of the ownership, origin, or destination of goods presented for transport.

8. A representative of German interests to be selected from a list of candidates to be submitted by the Imperial German Government, shall be admitted, "à voix consultative," to the board of the proposed Ottoman Company for navigation on the Rivers Euphrates and Tigris.

[25942] No. 329.

Foreign Office to India Office.

Foreign Office, June 6, 1913.

Sir,

WITH reference to previous correspondence, I am directed by Secretary Sir E. Grey to state, for the information of the Secretary of State for India, that Hakki Pasha intimated to-day that he had received authority from his Government to sign the convention regarding the Persian Gulf, subject to the addition of a clause, of which he will submit a draft, providing for the extradition of criminals from Koweit, which otherwise might become a haven of refuge for bad characters.

Hakki Pasha was informed that there would probably be no objection to such a clause on the part of His Majesty's Government, and I am to request that Sir E. Grey may be furnished with the views of the Secretary of State for India on the subject as soon as possible.

I am, &c.
LOUIS MALLET.

[26023] No. 330.

Sir R. Rodd to Sir Edward Grey.—(Received June 7.)

(No. 142.)

Rome, June 3, 1913.

Sir,

IN reply to a question put to him by the deputy Galli regarding the condition of the Armenians in Turkey, Prince di Scalea, Under-Secretary of State for Foreign Affairs, stated in the Italian Chamber on the 31st instant that the Italian Government had taken such steps as were permissible within the limits of international agreements to show their interest in the welfare of the Armenian population of Turkey through the medium of the Italian Embassy at Constantinople.

From the reports recently received, Prince di Scalea was able to say that no immediate danger threatened the Armenians. It was the great desire of the Italian Government to see the Turkish dominion securely established in the Asiatic provinces of the Empire, and they were convinced that the settlement of the Armenian question would be a powerful factor in the establishment of peace and tranquillity in that region. The Italian Government would accordingly make such representations at the Porte as would convince the latter that Italy, in common with all the other Great Powers, would regard a civil and administrative reorganisation of the Turkish provinces in Asia Minor as a valuable contribution to the cause of civilisation and humanity.

I have, &c.
RENNELL RODD.

[26538] No. 331.

Confidential Circular from M. Sazonof, dated St. Petersburgh, May 24 (June 6), 1913.—(Communicated by Count Benckendorff, June 7.)

LA situation de la population arménienne dans les régions de la Turquie d'Europe qu'elle habite rend urgente l'étude des réformes nécessaires à la pacification de ces régions. Plus que toute autre Puissance, la Russie est intéressée à ce que le maintien de l'ordre et de la paix y soit assuré, tant à titre de pays limitrophe que pour cause du nombre très considérable des Arméniens habitant en deçà de ses confins, au Caucase surtout.

La question se pose si les Puissances ne jugeraient pas opportun de procéder à

l'étude tant du principe des réformes nécessaires que de celui des moyens d'en assurer l'application.

Le Gouvernement Impérial est d'opinion que le plus pratique serait de prendre comme base des études en question le projet de 1895, en l'adaptant aux exigences actuelles.

Le Gouvernement Impérial proposerait de confier aux Ambassadeurs des Puissances à Constantinople, plus à même de juger des exigences locales, le soin de procéder sans retard aux délibérations en question.

[26072] No. 332.

Sir G. Louther to Sir Edward Grey.—(Received June 7.)

(No. 267.)
(Telegraphic.)

Constantinople, June 7, 1913.

FOLLOWING from consular officer at Basra, dated 6th June :—

"My telegram No. 41.

"'John O. Scott' arrived 4th June from Bahrein with garrison of Dismesa, numbers not yet ascertained; officer commanding small contingent referred to in my telegram No. 34 returned with them."

(Sent to embassy; repeated to Bushire and Bagdad.)

[25792] No. 333.

Sir Edward Grey to Sir G. Louther.

(No. 250.)
(Telegraphic.) R.

Foreign Office, June 7, 1913.

SIR P. COX'S telegram of 5th June: Bahrein.

Your Excellency should explain position to Minister for Foreign Affairs and ask that instructions as desired may be issued.

(Repeated to Bushire.)

[25645] No. 334.

Sir Edward Grey to Sir G. Louther.

(No. 251.)
(Telegraphic.)

Foreign Office, June 7, 1913.

REFORMS in Asiatic Turkey.

You may act on the concluding paragraph of my telegram No. 434 of 5th June to Mr. O'Beirne, repeated to you in my telegram No. 244.

[25653] No. 335.

Foreign Office to India Office.

Foreign Office, June 7, 1913.

Sir,

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 4th instant respecting recent events in Nejd.

I am to state, in reply, that Sir E. Grey is in complete agreement with the view expressed by the Government of India in the final paragraph of their telegram of the 31st May, viz., that "it seems impossible at this late hour to raise the question of the status of Nejd without running the risk of wrecking the negotiations (with Turkey)."

In these circumstances, Sir E. Grey is strongly opposed to entering even upon informal discussion on the subject with Hakki Pasha. He considers it is preferable to await developments, and to adhere as long as possible to the present policy of His Majesty's Government, which is to abstain strictly from intervention, direct or indirect, in the affairs of Nejd.

The general attitude of His Majesty's Government, which in this matter is based

on considerations of European policy, is to consolidate the power of the Central Government in Asiatic Turkey; and if His Majesty's Government were to approach the Ottoman Government, as suggested by Sir P. Cox, with a view to concluding direct agreements with Ibn Saud as an autonomous ruler, it would give rise to suspicion, and might have far-reaching and regrettable effects.

Sir E. Grey is, moreover, far from convinced that the ultimate triumph of Ibn Saud over the Turkish authorities is assured.

I am, &c.
LOUIS MALLET.

[26266]

No. 336.

Minute by Mr. Parker.

WITH Sir L. Mallet's approval I went to the German Embassy to-day to meet Herr von Gwinner.

There were present Prince Lichnowsky, Herr von Kuehlmann, and Herr Gwinner.

Herr Gwinner said that he had made a few notes respecting the negotiations with Germany, and he would like to read them, making comments on each point.

As regards the Bagdad Railway, he was, he said, quite satisfied with the proposed settlement. I said I was glad to hear this, which I could well understand, since in effect the suggested settlement left him in sole possession of all in the concession which was commercially valuable, while at the same time opening to him the London money market.

He then said that the Grand Vizier had communicated to him a copy of our draft Convention with Turkey about railways; that he had read the document with interest, especially article 9, which laid down that the Ottoman Government would "veiller" as to the appointment of two British directors on the Board of the Bagdad Railway. He said he was perfectly ready that this article should remain "pour les beaux yeux du public"; but he thought it well to point out that in point of law it would be *ultra vires* for the Ottoman Government to enforce their obligation to "veiller," as nobody but the shareholders of the Bagdad Railway Company could elect directors. He was, however, prepared to overcome this difficulty if there was a single English shareholder with only a small holding in the Company, as he (Herr Gwinner) could control sufficient votes to ensure the election of the British directors. He then entered on a long technical argument on the point, and I asked him for a statement in writing, for the information of

the Board of Trade. This, I believe, Herr Kuehlmann will send.

He then said that if a line ever were made from Basra to the Persian Gulf, the Germans would like, while leaving the management to us, to have one director on the Board, so as to guard against unfair rates, and they would like to have a guarantee that such rates would not be enforced.

I said I would report this desire. (Personally I can see no objection to it.)

He then passed to the river, and he said that he had yesterday received a visit from Mr. Lynch, who had informed him that this was a most critical moment in the matter of navigation, and that German interests and those of Mr. Lynch called for close co-operation and mutual confidence. Mr. Lynch had then referred to the existing agreement with the Bagdad Railway Company for the conveyance of building material, and Herr Gwinner said it would be impossible for him to escape from his obligations with Mr. Lynch under that contract, which was a very advantageous one for Mr. Lynch who, besides the emoluments of management, received a net profit of 12 per cent.

I said that the contract in question only related to the conveyance of material for the Bagdad Railway while in progress of construction, and that when construction was completed both the need for conveying materials, and the navigation rights of the Bagdad Railway Company under article 9 of their Convention, would cease to exist.

Herr Gwinner and Prince Lichnowsky then said that this brought them to a further point: they understood that we and the Turks secured a virtual monopoly in regard to navigation on the Tigris, and that this would give rise to much criticism in Germany, for it contrasted unfavourably with the German position respecting the Bagdad Railway, where foreign participation was welcomed. They hoped we would not object to the Hamburg–American Line having, say, 5 per cent. or 10 per cent. participation in the navigation company if they could arrange for holding part of the Turkish share.

(As a matter of fact I understand that the Board of Trade are not altogether opposed to this, but I thought it well to be reserved.)

I said that the navigation concession was in

reality a fleeting possession; the future of Mesopotamia depended on irrigation, and when irrigation came the rivers would cease to be navigable. I therefore thought the Hamburg-America line would find the enterprise a poor investment. But, apart from this, we had been intimately connected with navigation of the Mesopotamian rivers since the reign of Queen Elizabeth, we had rendered great services on the rivers to Turkey in past centuries, and we had a special and sentimental interest in this enterprize. Our arrangement with Turkey really was a compromise, and if there was to be foreign participation it would lose much of its value to us. We had abandoned, or rather were prepared to abandon, all claim to participate in and effectually control the Bagdad-Basra section of the Bagdad Railway, and therefore it was important for us to have the river navigation in our hands.

Herr Gwinner said that all they wanted was a minor participation in the river navigation, so as to prevent opposition from an influential quarter, the Hamburg-America line. I said that the settlement should surely be viewed as a whole, and the Germans, so it appeared, gained far more than they gave.

The point was dropped; and then Prince Lichnowsky and Herr Gwinner referred to the proposed Shatt-el-Arab Conservancy Commission. They said that as Germany had such a large shipping interest that it was only fair that she should be represented on the Commission.

I said that the Commission was an Ottoman one, and that we were asked to appoint someone to act under the Ottoman Government, just as the Ottoman Government asked other foreign Powers to appoint advisers to improve their institutions—a German for instance to reform the army. The Shatt-el-Arab, although open to the ships of all nations, was, as regards the whole waterway, a Turkish river. We, however, had long been associated with the river, both in regard to buoying and surveying, and putting down piracy, and we were closely concerned with the *de facto* interests of the Sheikh of Mohammerah on the river. It was absolutely necessary for us to be connected with the Commission, as otherwise it would be next to impossible to ensure peace on the river, or to secure that the bar would be properly watched, and impediments to navigation

removed. If the Germans claimed representation every other nation would do likewise, and the Commission would cease to be Ottoman and become international. But our arrangements with Turkey provided for absolute equality of treatment for the ships of all nations, and annual accounts would be published to show that there would be no discrimination. Every real German shipping interest would be secured by the Commission, but the conditions were such that it would be impossible locally to institute an international Commission without great and probably insuperable difficulty.

I told Prince Lichnowsky that we should very shortly be sending him the draft of an agreement, based on my conversation of the 7th May with Herr von Kuehlmann.

A. P.

June 7, 1913.

[21191]

Annex.

Minute by Mr. Parker.

I CALLED at the German Embassy to-day and Herr von Kühlmann explained to me the views of the German Government in regard to certain matters touching the Bagdad Railway, Turkish finance, and river navigation in Mesopotamia.

I asked him to allow me to make notes, as the subjects are involved, and I pointed out that I had come to listen to his remarks and had of course no proposals to make. The substance of his remarks was as follows:—

1. The Bagdad Railway Company would prefer to build and manage the section from Bagdad to Basra themselves rather than abandon that section to another Company. The Company did not, under the arrangement of 1911, definitely abandon their rights to do this; they at that time merely made a declaration of their readiness to do so subject to two conditions, viz.: that the Bagdad Railway Company's interest in the new Company should be equal to that of any nation other than Turkey, and that the Bagdad Railway Company should receive compensation for the renunciation of rights secured to them under the original concession.

2. If His Majesty's Government agree to point (1), then the Société would be prepared to agree that:—

(*a.*) The sections from Basra to the Gulf should be indefinitely postponed.

(*b.*) If those sections ever should be built the Société would like to share in the building of them, but would not ask to share in the subsequent management of the sections, but there must be adequate guarantees as regards through traffic.

(*c.*) That Basra should be the terminus of the line.

(*d.*) That the construction and control of the port at Basra should be the subject of an agreement with his Majesty's Government.

(*e.*) That two British directors should be admitted to the Board of the Railway from Konia to Basra.

3. The German Government would confirm these proposals of the Société. They would also agree that German subjects should make no claim to participate in navigation on the Euphrates and Tigris. If a reasonable and fair arrangement can be made for the conveyance of materials for the railway while building, then the Germans would forthwith abandon any claim to navigation on those rivers. If, however, for some technical reason, such an arrangement cannot be made as regards building material, &c., then the German Government would undertake that German subjects

shall not participate in any navigation company on the two rivers after, say, five years from 1913.

4. If the German Government and the Société agree that the terminus shall be Basra, they will expect an undertaking from His Majesty's Government and the Ottoman Government that the Shatt-el-Arab shall be kept in a satisfactory state of conservancy, so that sea-going vessels without discrimination of flag shall always be assured of easy access to Basra on equal conditions.

5. The German Government would appreciate a confidential intimation as to the attitude of His Majesty's Government towards the Bagdad Railway enterprise on the conclusion of such an arrangement as that in question.

6. The German Government wishes co-operation between the German and British delegates on the Financial Commission at Paris, so as to secure:—

(*a.*) That the Bagdad Railway Company shall receive fresh and equally good security for any revenues now pledged to the company and which Turkey may forfeit as the result of the war (*e.g.*, the Salonica customs duties surplus).

(*b.*) That, in the arrangements about to be made for Turkish financial reorganisation, adequate revenues shall now be earmarked for the securities of the Bagdad–Basra section.

I said I would submit these remarks to Sir E. Grey.

A. P.

May 7, 1913.

P.S.—I read over the above to Herr Kühlmann and he said it was an accurate account of our conversation.

A. P.

[26188] No. 337.

Sir G. Lowther to Sir Edward Grey.—(*Received June 9.*)

(No. 490.)

Sir, *Constantinople, May 31*, 1913.

I HAVE the honour to transmit herewith copy of a despatch from His Majesty's consul at Basra reporting on the hostile reception accorded to the new law for the formation of the General Assembly of the vilayets by the Arab population of the district.

This report bears out the information I had the honour of communicating to you in my telegram No. 225 of the 9th instant regarding the situation in this respect in Basra and Syria and other non-Turkish vilayets.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 337.

Consul Crow to Sir G. Lowther.

(No. 22.)

Sir, *Basra, April 29*, 1913.

THE new law for the formation of the General Assembly of the vilayet, as published in the official organ "Taqvim-el-Vaquaya," has been read here, but up to the 29th instant no official instructions or copy of the Act had reached the vilayet from Constantinople. As a protest against certain clauses of the new law, some of the Arab notables and deputies occupied the telegraph office on Saturday night, the 26th instant, and communicated directly with the Minister of the Interior. Many telegrams were sent by the notables, but there was very little response from the other end. The notables remained at the telegraph office till nearly 3 A.M. on Sunday morning, the anniversary of the Sultan's accession, and, as a mark of the general dissatisfaction with the proceedings of the Government, only three of the Arab notables attended the acting vali's official reception and tendered their congratulations.

I lunched with Seyyed Talib Bey at his house in Basra on the 28th instant, and he read me the minutes of the telegrams exchanged with Constantinople on Saturday night. I have not yet seen a copy of the new law myself, but Seyyed Talib Bey

informed me that there were some good points in it and much that was bad; on the whole it was inacceptable in its present form, and the Arab notables oppose its execution as it stands. It appears to have been drawn up by a commission formed of members of the Committee of Union and Progress, which included the ex-Vali Suleyman Nazif and the new Vali Ala-ed-Din. It is therefore unlikely that the latter will be disposed on his arrival to meet the wishes of the Arabs in pressing for any modification of its terms in view of his responsibility for the paternity of the Act itself.

The clauses to which the Arabs take exception are, I understand, principally those which confer on the vali the right to interfere, *ex officio*, in the deliberations of the Assembly, to eliminate from its debates any subject he disapproves of, and to suspend its sittings or dissolve the whole body whenever he thinks proper. The vali also appears to be given full powers to deal with any recalcitrant member by martial law without reference to the courts, and to prevent the private meeting for discussion of more than five members at a time. Freedom of debate is therefore much restricted. The Assembly is practically gagged and reduced to a condition of subserviency to the will and caprice of what may prove to be a hostile vali, and the Arab notables of Basra, headed by Seyyed Talib Bey, declare that they will neither accept nor tolerate such arbitrary conditions.

Many appeals were addressed by telegraph both to the Grand Vizier and the Minister of the Interior on Saturday night to modify the objectionable clauses, but the remonstrances of the notables, who waited at the telegraph office for many hours, met with little response. A telegram from the acting vali was finally received from the Minister of the Interior stating that it was useless for the notables to wait any longer, that their behaviour and that of the deputies in thus pressing for immediate reply was unconstitutional, that the law in its present form should be put into execution, and the elections for the General Assembly under the prescribed conditions proceeded with.

The Arab notables, exasperated at this treatment, seem to be meditating a *coup*, and my informant warned me that they would not hesitate to resort to methods of violence in order to attain their ends. He stated that they were already organised and prepared for this development, and that serious disturbances would undoubtedly occur if the new vali, who is expected by the Russian steamer "Vesta," due here on the 4th or 5th proximo, insisted on resorting to arbitrary measures in order to carry out the provisions of the law in its present form. He assured me that, as far as the Arab notables themselves were concerned, British interests would be respected, but he frankly admitted that a condition of things might arise which would be beyond their control, and he anticipated general danger from excess on the part of the lower classes of the population if they got out of hand in the course of these events.

In view of this information, which is derived from the main source of the movement, I telegraphed the facts to your Excellency on the 28th instant as briefly as possible, suggesting that it seemed to me desirable for British ships-of-war, if available, to proceed to Basra simultaneously with the Russian steamer "Vesta" in order to protect British lives and property if threatened. The agent of the Russian steamers states that the "Vesta" is due here on the 4th or 5th May, but he has no information concerning her passengers. Private advices from Constantinople state that the new vali is on board, but no official intimation has yet been received by the vilayet regarding his appointment, which is in itself a very unusual proceeding, and it is presumed that the Government imagine his arrival may take the authorities and people of Basra by surprise. His movements, however, appear to be a matter of general knowledge, and the present acting vali, Ali Reza Pasha, is preparing to leave Basra by the same steamer for Damascus, where, he says, he intends to retire from the service.

I have, &c.
F. E. CROW.

[26190] No. 337*.

Sir G. Lowther to Sir Edward Grey.—(*Received June 9.*)

(No. 495.)

Sir, *Constantinople, June 3*, 1913.

I HAVE the honour to enclose herewith copies of a correspondence* which has recently passed between His Majesty's consul in Jerusalem and the principal repre-

* Not printed.

sentative of the Church Missionary Society in Palestine on the subject of the difficulties encountered by missionary societies in this country, and more especially that arising out of the refusal of the authorities to dispense from military service native teachers employed in foreign schools which have not taken out official permits.

This correspondence has an added interest in connection with the demands addressed by the French Government to the Porte in February, and recently made public. The bitter feeling engendered by the French action in occupying Mitylene in 1901 has only grown in intensity since the revolution of 1908. Partly because of this, partly because of a not unnatural official antagonism on general grounds towards foreign missionary institutions, and partly because the exemptions enjoyed by these institutions do deprive the Treasury of a considerable revenue, the attitude of the Porte during the last five years in all matters relating to them has been one of increasing obstructiveness. It cannot be denied that some justification exists for this attitude, and there are some who feel that if the Porte were inclined to discuss in a reasonable spirit a new adjustment of the status of foreign missionary institutions, it would be not inequitable on the part of the Powers to agree to a less liberal treatment in regard to exemptions than that which has hitherto prevailed. Unfortunately the general temper of the officials concerned at the Porte, and the ingenuity displayed by its legal advisers in devising means of irritation, have been such as to discourage any hope that such concessions on the part of the Powers would be rewarded by greater facilities for the working of the institutions, even if such facilities were promised on paper. It was for this reason that it seemed advisable to return no answer to the Porte's notice of the 12th April, 1910, a course which was approved in your despatch No. 217 of the 28th July, 1910.

In dealing with such particular questions as have arisen during the last few years the attitude of this embassy has been, as far as possible, conservative and non-committal. The one important exception has been our agreement to the payment by the Church Missionary Society of taxes on their new hospital at Bagdad, a concession which was made after mature consideration, and with the approval of His Majesty's Government, conveyed in your telegram No. 267 of the 1st May, 1912. As regards the question of permits for missionary schools, it has been possible to avoid any very acute controversy with the Porte. This question has been the subject of disagreement for many years, the Porte maintaining that all missionary schools are bound to take out permits under article 129 of the old law on Public Instruction (see Young's "Corps de Droit ottoman," vol. xi, p. 373), while this embassy, following the example of the French, has held that recognition by Imperial iradé dispenses the school from obtaining special permits from the Ministry of Public Instruction, and from submitting to the control implied therein. In practice there has been little friction. Some British schools are actually provided with permits, but little attempt has been made to exercise control, and in the case of schools which have no permits the Turkish authorities have not sought to enforce their views by direct means. So long as this state of affairs continues it seems to me inadvisable to take any action which would tend to make the disagreement more active; for, while the permit question is one on which it might be proper to make some concession to the Porte if the whole question of the status of missionary institutions came up for discussion, it would be premature to do so without knowing to how much Government control we should have to commit ourselves. The amount of control contemplated by article 129 of the old law is vague, and a new law regulating the position of non-State schools generally has been in contemplation since early in the constitutional régime. My view has been, and is, that it is in the best interest of missionary schools to commit them to nothing until such a law is passed, or until in some other way we are enabled to estimate more certainly than at present the effects of a concession to the Porte's point of view.

There are, however, certain disadvantages incidental to this policy of waiting, for while, as I have said, the Turkish authorities abstain from direct attempts to interfere with non-permit foreign schools, they draw certain distinctions unfavourable to them. Thus, on the 10th December, 1910, the Porte issued a circular stating that the diplomas of schools which had not provided themselves with permits within a year of that date would not be accepted as a qualification for entry into Turkish higher schools; and their refusal to exempt from military service Ottoman teachers employed in non-permit schools constitutes a fourth discrimination. Judging by the demands recently formulated the French Government would appear to have decided to fight such discriminations, but it appears to me hardly equitable to insist that foreign schools shall not be subject to any control, and at the same time to insist that they shall enjoy all the privileges of permit schools in matters in which the Turkish Government are within their domain, such as the conditions of entry to Turkish higher schools and the conditions under

which Ottoman subjects shall be exempt from military service. I believe my American colleague takes the same view. I understand that the American Embassy does not discourage American missionaries from taking out permits for their schools, and does not claim any exemption from military service for teachers in schools which are not provided with them. I should state that in all questions relating to institutions the French, the Americans, and ourselves are the nations most interested.

I cannot but think, moreover, that as far as British schools are concerned Mr. Sykes exaggerates the importance of the military service question. I am not aware that the number of male native teachers employed in British schools in this Empire is considerable. Only a few cases have come to my notice in the last five years, in which such teachers have been called for service. Cases arise in Jerusalem, it is true, but the total number of instances in which teachers have actually had to serve has not, as far as I am aware, been great. The only quite recent instance is that of a teacher in one of the Church Missionary Society schools at Jerusalem, in which case it proved possible to obtain the exemption after all, because it so happened that the school in question had a permit. It is, of course, possible that cases have arisen in which the men were made to serve without the Embassy being informed, but, had the number been as great as to threaten missionary schools with "slow strangulation," I think the matter would have been forced upon my attention much more urgently than it has been.

Mr. Sykes's letter contains certain inaccuracies of detail, to which, however, it is unnecessary to draw special attention, as they do not affect the question of principle raised. His reference to the Greek Orthodox schools is of some interest, for I believe that certain facilities in regard to the exemption from military service have been granted in the case of native Christian schools, even when they have not got regular permits. I am without certain information as to the precise nature of these facilities or the extent to which they might now be invoked in favour of foreign non-permit schools. It must be noted that the authorities have not been very firm or consistent in insisting on their demand that teachers and non-permit schools shall serve, so that, principles apart, there has been a considerable amount of variation in regard to the actual practice.

I have, &c.
GERARD LOWTHER.

[26191] No. 338.

Sir G. Lowther to Sir Edward Grey.—(Received June 9.)

(No. 497.)
Sir, *Constantinople, June 4, 1913.*

WITH reference to your despatch No. 92, I have the honour to forward herewith a despatch from His Majesty's consul at Basra, reporting on the relations of the Beni Lam Arabs *vis-à-vis* the Turks.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 338.

Consul Crow to Sir G. Lowther.

(No. 27.)
Sir, *Basra, May 9, 1913.*

I HAVE the honour to acknowledge the receipt of your Excellency's despatch No. 4 of the 9th April, and, in reply, to express my regret that my telegram No. 12, Secret, of the 12th March, should have led His Majesty's Government to take action from which they might have been disposed to abstain had they been in possession of the details contained in my telegram No. 13.

In explanation, I venture to state that I excluded all details of the sheikh's differences with the Turkish Government in my first message for the sake of brevity, as the message was already long, and I did not expect that His Majesty's Government would, without calling for further explanations, do more than acknowledge the receipt of it or give me some non-committal reply for the sheikh. I reported more fully on the

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interview, and mentioned all the sheikh told me about their differences in my despatch No. 16 of the 15th March. I certainly did not intend in my first message to convey the idea that the Beni Lam were unoffending *vis-à-vis* the Turks in the matter. My point of view, if I may state it, was that this powerful tribe had already done us considerable injury in 1908 by firing on our vessels and stopping navigation on the Tigris for many weeks, and, in view of the unsatisfactory methods of the Turkish Government in dealing with them, and their inability to effect a just settlement of the differences between them, it seemed to me more congenial to our river interests to gain their sympathy than to alienate it. I feel convinced myself that there is a great deal to be said on their side. The Turkish Administration is here for the sole purpose of making money, which they do in a cruel and rapacious manner, and the Arabs have been rendered distrustful by the corrupt practices of the officials sent to govern them. They are now exasperated, and the feeling against the Turkish Government is very acute. I hoped that, whatever their ethics or the nature of their differences with the Turks might be, we, at all events, might establish some claim on their good-will by giving their representative, who came to see me in disguise and with trepidation, a sympathetic reception, and later, if necessity arose, we might turn their good-will to some account for the protection of the lives and property of our subjects on the River Tigris, who, as I have had experience during my residence at this post, are entirely at the mercy of the Arab tribes on the banks of the river in times of disturbance. I still think we may do so, and that we have at least a friend in Sheikh Falih-el-Benaiya.

As a matter of fact, their seizure of contract lands without payment, and their holding them pending settlement, is not an unusual proceeding, and the statement of Falih that he had killed his uncle Shebib, is, Mr. Lorimer informed me later, untrue. Sheikh Falih may, if Mr. Lorimer's information is correct, have overstated his case, as Arabs often do.

As regards the second point, I was not aware, when I sent my telegram No. 14 of the 21st March, that Sir E. Grey had already spoken to Hakki Pasha, and, by "proposed action," I alluded to the embassy telegram No. 9 of the 18th March, which said: "Sir E. Grey proposes to speak to Hakki Pasha," &c., and "you should report at once how the sheikh receives your communication." I gathered from these words that His Majesty's Government were awaiting a further report from me before acting.

I have, &c.
F. E. CROW.

[26193] No. 339.

Sir G. Lowther to Sir Edward Grey.—(Received June 9.)

(No. 499.)
Sir, *Constantinople, June 5, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's consul at Basra, reporting on the situation in that district and the arrival there of the new vali.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 339.

Consul Crow to Sir G. Lowther.

(No. 26.)
Sir, *Basra, May 8, 1913.*

WITH reference to my despatch No. 22 of the 29th ultimo, I have the honour to report as follows on the situation at Basra:—

The acting vali read a message from the Minister of the Interior to Seyyid Talib Bey and other Arab notables at the serai, directing them to proceed with the elections for the General Assembly. This they refused to do, and asked for the withdrawal of those clauses of the new law empowering the vali to proclaim martial law and making him President of the Assembly. They claimed for the General Assembly the right to apply to the vali and other officials for information concerning the affairs of the vilayet, the power to draft a scheme of reforms, and urged that the settlement of the tribes in certain places should be effected in accordance with the scheme when presented to the

vilayet by the General Assembly. The acting vali informed Constantinople accordingly. The Minister of the Interior pointed out in reply that the new law was working well in all other vilayets, and suggested that the people might put forward their objections in a constitutional manner, but said that no change could be made at present; he held out hope of some changes when Parliament met.

The new vali, Ala-ed-Din Bey, arrived here by Russian steamer on the 2nd May. His Excellency was met by the acting vali, the commodore, Seyyid Talib Bey, and other notables of Basra, with whom he exchanged visits. Seyyid Talib Bey, in reply to the vali's enquiries, stated that reforms were urgently needed, and the latter promised to do his best for them within the limits of the new law. At a dinner given at Seyyid Talib Bey's house on the 4th instant in honour of the new vali, the latter referred to the expected arrival of Ferid Bey, ex-Mutessarif of Montific, who has been appointed divisional commander at Basra and was on his way here from Bagdad. Ferid Bey is much feared by the people of Basra owing to his anti-Arab proclivities. He is said to be hostile to Seyyid Taleb, and his dismissal from his post in Montific was sought on the ground of his unlawful proceedings at the last parliamentary elections. It is thought his coming may provide further food for discontent and cause more friction. He arrived by steamer from Bagdad on the 6th instant. The vali stated that Ferid Bey would not interfere with the administration of the vilayet but would confine himself to his military duties. He assured his hearers that the appointment was not made with the intention of oppressing the people of Basra. He added that he himself wished the people well, and would do all in his power for their good; if he failed he was willing to make way for someone else if the people so desired. The vali informed Seyyid Talib Bey on the 6th instant that all the Arab demands had been referred to the Minister of the Interior.

A slight agitation occurred at Zobeir on the 4th May, led by Mohamed-el-Asaymi and his friends, who suppressed the Turkish patrol of the town and undertook to do the work themselves. The mudir reported that his life was in danger and asked for troops. A commission of staff officers was sent to make enquiries, who reported that Asaymi was at the bottom of the mischief. Fifty soldiers were sent to the town, and order seems to have been restored.

A number of boastful letters have been received from Ajeymi-bin-Sadoon addressed to various notables at Basra, tribal sheikhs, and the mukhtars of the villages south of Basra. These letters refer to intrigues at Basra, and state that the writer has informed Constantinople of them and will proceed himself to Basra to punish the intriguers. The vali was informed of the matter, and messages were sent to Ajeymi telling him not to approach Basra, but suggesting that, if he wanted to show his loyalty, he should proceed there alone and unaccompanied by his followers. In view of the fate of his father, Sadoon Pasha, in 1911, who accepted a similar invitation, it seems most unlikely that he will comply with the suggestion. In the meantime, however, advices from the Mutessarif of Montific announce that Ajeymi has already left in the direction of Basra. He appears, in fact, to be at Ghabeshia, a place in the desert some ten hours distant north-west of Basra. He has asked certain Arab notables to meet him there, and I hear that Seyyid Talob Bey is endeavouring to get in touch with him with a view to induce him to join his party. The latter has, I am informed, taken the precaution of circularising his dependents in the surrounding villages and telling them to hold themselves in readiness in case Ajeymi proceeds to Basra. The Arab sheikhs and villagers from Fao to Kurna are said to be ready and awaiting Seyyid Talib Bey's orders.

H.M.S. "Alert" arrived here on the 4th May. The commander exchanged visits with the local authorities, and I took him to see the vali. No salutes were fired, at the vali's special request. His Excellency said they might be misinterpreted.

I have, &c.
F. E. CROW.

[26194] No. 340.

Sir G. Lowther to Sir Edward Grey.—(Received June 9.)

(No. 500.)
Sir, *Constantinople, June 5, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's vice-consul at Van reporting on recent raids by Kurds in that district.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 340.

Vice-Consul Molyneux-Seel to Sir G. Lowther.

(No. 13.)

Van, May 19, 1913.

Sir,

I HAVE the honour to inform your Excellency that a number of Kurdish raids and disturbances have recently occurred in this vilayet, which synchronise with the departure of Izzet Bey, the ex-vali.

The most serious is a raid on the sheep of the Khtuma Assyrians by, it is said, the Sheikh of Barzan.

According to one account, 12,000 sheep were stolen from their pastures in Zibar; according to another account, the number of sheep raided is put at 30,000, and, further, 25 men, 35 women, and 65 children are said to have been killed and thrown into the Zab River.

The sheep of the village of Ashita are also said to have been raided by either Réshid Bey, head of the Barwari Bala tribe, or by Osman Agha, of Barzan. There is no confirmation of this report as yet.

Twelve hundred sheep have been raided from the pasture-lands of Shattakh. The author is said to be Shakir Agha. A company of soldiers has been sent to Norduz to effect the recovery of the sheep.

Two conflicts have taken place on the frontier between the Ottoman troops and Simko's and Sheikh Taha's men, one at Bajirga and the other near Halana. Six hundred soldiers had been sent to reinforce the frontier troops at various points in anticipation of these attacks, and the Ottoman casualties were not serious. Simko's men who have taken part in these conflicts are of course the wild, undisciplined tribesmen collected by him, and paid for by the Persian Customs under official recognition as frontier guards.

Even my Russian colleague is unable to recount this bizarre arrangement without smiling.

The brigand Mir Mehe, who till lately had been with Simko, appeared recently at Khoshab, and killed a gendarme.

As regards the raiding of the Khtuma sheep, the history of the relations between the Assyrians and the Sheikh of Barzan is as follows:—

Some three years ago the sheikh was pursued by the Turkish authorities and took refuge in the Khtuma Mountains, where he remained some time under the protection of the Assyrian tribesmen.

In gratitude for this treatment the sheikh gave the tribesmen a pasturage for their sheep in Zibar, where accordingly they have since been regularly pastured.

The Assyrians showed great confidence in the sheikh in accepting this offer, as the pasture-lands are on the south side of the Zab River, at the mercy of Kurd marauders, and two days from their own mountains.

It appears that the sheikh has sent a message to Mar Shimun saying that it was not he who took the sheep, but the Heriki tribe, and that he has recovered them and will return them.

Mr. MacGillivray, the English missionary at Kochanis, writes to me that he considers that these disturbances have been to a large extent the fault of the Assyrians, and to a larger extent that of my Russian colleague. "The latter's journey here last summer," he says, "and his lavish promises so excited the Syrians that they have been talking very big and exasperating the Kurds."

With reference to my telegram No. 4, the missionaries now recognise that there is no danger of a general massacre of the Christians.

The new vali, Tahsin Bey, has arrived at Van.

I have, &c.

L. MOLYNEUX-SEEL.

[26195]

No. 341.

Sir G. Lowther to Sir Edward Grey.—(Received June 9.)

(No. 501.)

Constantinople, June 5, 1913.

Sir,

WITH reference to my despatch No. 364 of the 29th April last I have the honour to forward herewith a despatch from His Majesty's vice-consul at Hodeidah, reporting further on the Ottoman mission to the pretender, Seyyid Mohammed-el-Idrissee.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 341.

Vice-Consul Richardson to Sir G. Lowther.

(No. 13.)

Hodeidah, April 25, 1913.

Sir,

IN continuation of my despatch No. 10 of the 25th ultimo I beg to report further on the mission recently despatched to Seyyid Mohammed Idrissee.

The news received here is both scanty and contradictory.

The mission referred to was joined at Loheia by a certain Seyyid Yahya of Sana'a, who it would appear was deputed to accompany it by the Imam Yahya.

On arrival at Loheia, the vali, Mahmoud Bey, addressed a note to the pretender, who was then at Geezan, requesting him to meet him either at Midi or Habl, as found convenient.

No reply being received to this, a deputation, headed by the Mutessarif of Hodeidah, Redjeb Bey, and consisting of the Arab members of the mission already mentioned, and Kiamil Effendi, the chief cadi in the Yemen, proceeded in a dhow to Geezan on the 30th March.

It was well received by Seyyid Idrissee, who caused a salute of eleven guns to be fired from the fort at Geezan in its honour, and provided suitable and comfortable quarters for its accommodation.

The pretender appears to have paid special respect and attention to the two Seyyids of the Tehema on the deputation, viz., Seyyid Abdul Bari and Seyyid Abdurrahman, respectively, of Marawar, whom he would have liked to have put up at his own residence, had not the other Arab members taken exception to the differential treatment intended.

I am told that the object of the deputation was simply to accompany Seyyid Idrissee to such place of rendezvous that might be chosen by him for the conference with the vali, Mahmoud Bey.

Three days after the arrival of the deputation referred to, the Seyyid Idrissee left for Sabyeah, his headquarters, with the ostensible object of consulting his followers, promising to return in a few days.

Nearly a fortnight passed, but the Seyyid failed to keep his appointment. He then despatched a message through a prominent merchant at Geezan, one Ali Suwweid, an ex-Yemen deputy, informing the deputation that he had been detained on account of illness and that he would arrive in a few days.

The appearance of the Seyyid shortly afterwards at Geezan was solely for the purpose of dismissing the deputation with the promise that he would meet it again at Midi, for which destination the latter thereupon set out by sea.

Simultaneously with the departure from Loheia of the deputation to Geezan, three trusted advisers of the pretender, viz., Sheikh Mohammed Muhajjab, Shereef Ahmed-bin-Zaid, and the Sheikh Mohammed Basafi, arrived at Habl, a small port north of Loheia, where they invited the vali to come out and conduct conversations with them, as representatives of the Idrissee.

Mohammed Nedim Bey replied by deputing the Kaïmacan of Loheia to Habl with a view to inducing the above-mentioned notables to visit Loheia. This the latter excused themselves from doing, and immediately departed for the interior.

The general opinion here is that the pretender is not very anxious to come to terms with the Turks, and is merely playing a game of procrastination.

He is undoubtedly aware of the critical condition in which the Ottoman Government finds itself at the present moment, and known foreign intrigue has, at the same time, not improbably lent itself to his persistent and preposterous demands.

It is expected that the cruiser "Hamidieh," that has already sailed for Loheia, will be utilised for demonstrations off Midi and Geezan, if the Seyyid does not change his attitude.

I have, &c.
G. A. RICHARDSON.

[26203] No. 342.

Sir E. Goschen to Sir Edward Grey.—(Received June 9.)

(No. 209.)
Sir, *Berlin, June 6, 1913.*

THE German press has followed with interest, bordering upon suspicion, the reported course of the negotiations between His Majesty's Government and the Turkish Government in regard to the Bagdad Railway and other questions.

An article appeared recently over the signature of Dr. Paul Rohrbach which contained various statements alleged to have been derived from a Turkish source in regard to the negotiations.

According to this article the convention negotiated by Hakki Pasha contained, besides the provisions already published relative to Koweit, the Bagdad Railway, &c., the following concessions made by Great Britain:—

1. England agrees to guarantee to Turkey for forty years the integrity of her present territory.

2. England agrees to afford diplomatic support to the Turkish Government in the peace negotiations, and at once to bring pressure to bear on the allies with a view to hastening the conclusion of peace.

3. England agrees to assist in the financial liquidation of the war.

4. England agrees to render similar assistance in the regulation of the question of the possession of the islands on the coast of Asia Minor.

5. In the event of a declaration of complete independence on the part of Albania, England agrees to support the nomination of a Mohammedan ruler, but otherwise to favour the principle of Ottoman suzerainty over Albania.

On her part Turkey is alleged to undertake:—

1. In the Bagdad question, to aim at the greatest possible advantages for England, especially as regards the section Bagdad–Basra.

2. To grant special privileges to British subjects in Southern Arabia where British economic interests exist.

3. To introduce without delay the necessary reforms in Armenia, Kurdistan, Syria, and Mesopotamia.

4. To leave to England a completely free hand in the Sultanate of Koweit.

5. To settle the pending frontier disputes with Persia in favour of the latter country.

6. To meet the wishes of the Arabian tribes in regard to autonomy.

In commenting on this article the "Frankfurter Zeitung" said, in a recent issue, that if the statements contained therein were true the agreement was more far-reaching and of greater significance for the future of Turkey than had hitherto been supposed, implying, as Dr. Rohrbach asserted that it did, the abandonment by Turkey of her position in Arabia, and the recognition of a British protectorate over the peninsula.

The "Frankfurter Zeitung" went on to observe that it was a matter of great importance, both for the integrity of Turkey and especially for German interests, to know how far England aimed at playing the rôle of first, or perhaps sole, adviser in the administrative reform of Asia Minor. On this would depend whether Germany could declare her concurrence in such an English "mortgage" on Arabia, and whether the whole Anglo-Turkish convention was compatible or not with an Anglo-German understanding.

The "Frankfurter Zeitung" was careful to point out that the assertions of Dr. Rohrbach were entirely uncorroborated, and in a later issue it states that it had ascertained that they were incorrect in various important particulars, especially in regard to the alleged abandonment by Turkey of Arabia, and the alleged promise of

support on the part of England in the question of the Ægean islands. On the other hand, it says that amongst the points of the convention enumerated, such an important matter as the cession of Cyprus to England, which was an accomplished fact, had been omitted.

I have, &c.
W. E. GOSCHEN.

[26463] No. 343.

Board of Trade to Foreign Office.—(Received June 9.)

(Secret.)
Sir, *Board of Trade, June 9, 1913.*

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 6th June transmitting copy of a semi-official communication from the German Embassy and drafts of a memorandum and declaration which Sir E. Grey proposes to communicate to the German Ambassador, and to offer the following observations thereon:—

1. The Board see no objection to Sir E. Grey's proposal to endeavour to obtain an undertaking from the German Government against discrimination on the Bagdad Railway, and the terms of paragraph (C) of article 2 of the draft declaration appear to be sufficient for the purpose in view.

2. With reference to the suggested admission of a German representative to the board of the new navigation company, the Board are of opinion, after consultation with the proposed concessionnaire, that, inasmuch as there will be no German financial interest in the conduct of the company, it is most desirable that the powers of the German representative should be limited to a "voix consultative." They also consider it desirable to define the purpose for which the German representative will attend the meetings of the board, and I am consequently to suggest that at the end of paragraph (8) the following words should be added: "for the purpose of safeguarding the interests of German trade against discrimination of any kind."

3. The Board concur in what they understand to be Sir E. Grey's opinion, that the establishment of an advisory board in connection with the Shatt-el-Arab conservancy is undesirable, but they see no objection to an alternative proposal to give the German consular officer at Basra the right to make recommendations to the conservancy.

4. As regards the port to be established at Basra, the Board see no objection to the proposal that the British participation in the construction should be allocated to the National Bank of Turkey, who should be at liberty to make the necessary financial arrangements with British contractors.

5. A draft of the proposed annexe I, relative to the control of the port, will be communicated to you shortly for Sir E. Grey's consideration.

I am, &c.
H. LLEWELLYN SMITH.

[26466] No. 344.

Sir G. Lowther to Sir Edward Grey.—(Received June 9.)

(No. 270.)
(Telegraphic.) R. *Constantinople, June 9, 1913.*

YOUR telegram No. 245 of 6th June: French demands on Turkey.

Points 1, 2, 3, and 5 call for no remark.

Point 4 was an arrangement negotiated for settlement of old pecuniary claims of French citizens, but means of arbitration have never been decided on.

Point 6. Surplus of tithe revenue assigned to Rayak–Aleppo Railway was, after payment of guarantees, £T. 98,000 in 1910–11 and £T. 76,000 in 1911–12. Surplus of these tithes is thrown into the general surplus tithe revenues assigned for payment of interest on certain loans and guarantees other than German. Total of this general surplus amounted to £T. 579,000 in 1911–12, and claims to be met out of the general surplus are:—

(1.) £T. 25,000 Konia irrigation works.
(2.) £T. 40,000 loan of 1908.
(3.) £T. 114,000 in lieu of Eastern Roumelian tribute.

(4.) Advance made by Ottoman Bank, 24th June, 1912, of £T. 1,250,000, of which £T. 250,000 was to have been repaid by 16th April, 1913, and after that date the remainder to be repaid in two annual instalments of £T. 500,000 each.

Point 8. The National Bank is only interested in ports of Samsun and Trebizond, and has not yet taken any decision regarding option. In the event of their exercising it, arrangements with French and Turks would be necessary in order to ensure that the termini of the French line would be at no other ports but at Samsun and Trebizond.

[26467] No. 345.

Sir G. Louther to Sir Edward Grey.—(Received June 9.)

(No. 271.)
(Telegraphic.) *Constantinople, June 9, 1913.*

YOUR telegram No. 250 of 7th June.

I have explained situation. Grand Vizier says that troops went involuntarily to Bahrein, but assures me they will not do so in future.

[26538] No. 346.

Sir Edward Grey to Mr. O'Beirne.

(No. 441. Confidential.)
(Telegraphic.) *Foreign Office, June 9, 1913.*

MY telegram No. 434 of 5th June.

Count Benckendorff communicated to-day (7th) a confidential circular from M. Sazonof, suggesting that the Powers should now proceed to study the question of Armenian reforms, taking as a basis of discussion the 1895 project.

You should inform M. Sazonof that I accept his proposal.

(Repeated to Constantinople, No. 252.)

[25533] No. 347.

Foreign Office to National Bank of Turkey.

(Confidential.)
Gentlemen, *Foreign Office, June 9, 1913.*

I AM directed by Secretary Sir Edward Grey to state, for your confidential information, that he has received from the French Government a list of the conditions subject to which they would be prepared to offer financial assistance to Turkey. One of these conditions stipulates the grant to a group recommended by the French Government of a concession for the construction and exploitation of the ports of Trebizond and Samsoun, provided that the negotiations entered into with the National Bank of Turkey do not come to anything.

The actual words of the French communication are as follows:—

"Concession aux groupes qui seront recommandés par le Gouvernement français, dans des conditions en permettant la construction et l'exploitation, des ports d'Inéboli, d'Héraclée, de Tripoli, de Caiffa et de Jaffa, et en outre de ceux de Trébizonde et de Samsoun dans le cas où le contrat d'études intervenu pour ces deux derniers avec la Banque nationale de Turquie ne recevrait pas de suite."

Sir E. Grey would be glad to be informed of the exact state of the negotiations in question.

I am, &c.
LOUIS MALLET.

[25589] No. 348.

Foreign Office to Manchester Chamber of Commerce.

Sir, *Foreign Office, June 9, 1913.*

WITH reference to your letter of the 2nd instant, expressing the hope that a certain period, by way of notice, should intervene before the increases in the Turkish tariff are actually made, I am directed by Secretary Sir Edward Grey to inform you that he is endeavouring to secure this object in the negotiations which are now proceeding with the Ottoman Government.

I am, &c.
LOUIS MALLET.

[26553] No. 349.

India Office to Foreign Office.—(Received June 10.)

Sir, *India Office, June 9, 1913.*

IN reply to your letter of the 6th instant respecting the Bagdad Railway negotiations, I am directed by the Secretary of State for India to say that he concurs generally in the terms of the draft memorandum which the Secretary of State for Foreign Affairs proposes to present to the German Ambassador.

The Marquess of Crewe also agrees with Sir E. Grey that the Shatt-el-Arab Conservancy Commission should have power to correspond directly with the foreign consuls at Basra, and that the latter should have the right of making recommendations in a purely advisory capacity. He would be unwilling to go further than this in the direction of admitting Germany to participation in the conservancy of the river, which, being of a purely technical nature, has no analogy with a commercial undertaking like the Bagdad Railway Company.

As regards British participation in the financing and construction of the port of Basra, there appears to be a certain ambiguity, since the German notice refers to the former process, in your letter to the latter, while article 2 (*d*) of the draft declaration (which also mentions a different percentage) does not clearly specify which is intended. Lord Crewe sees no objection to the British share of the capital being raised by the National Bank, provided that Sir E. Grey and the Board of Trade are satisfied as to the genuinely British nature of that concern. But he sees no room for the intervention of a bank in respect of the allocation of a percentage in the construction to British firms. He presumes that this would be effected by the company itself calling for British tenders for certain works, and that it would be for the British directors to see that this obligation was duly discharged.

In conclusion, I am to say that the Marquess of Crewe welcomes the evidence which the German attitude affords of a desire to meet the wishes of His Majesty's Government, and ventures to express the hope that full advantage may be taken of it to improve the relations between the two countries. From this point of view, as well as from that of securing material British interests in Western Persia as well as in Mesopotamia, he would not be sorry if it should prove possible, consistently with our obligations to France and Russia, to find a somewhat more positive formula for article 5 (*i.e.*, article 6 in amended copy) of the draft declaration than that furnished by the Potsdam agreement.

I am, &c.
T. W. HOLDERNESS.

[26528] No. 350.

Euphrates and Tigris Steam Navigation Company to Foreign Office.—(Received June 10.)

3, *Salter's Hall Court, Cannon Street, London,*
June 9, 1913.

Sir,

I HAVE the honour to enclose herewith copy of a letter of to-day's date addressed to the Permanent Secretary of the Board of Trade, with annexed draft of agreement which I am directed by my Board to submit for your information.

I have, &c.
FRED. W. PARRY, *Secretary.*

Enclosure 1 in No. 350.

Euphrates and Tigris Steam Navigation Company to Sir H. Llewellyn Smith.

3, *Salter's Hall Court, Cannon Street, London,*
June 9, 1913.

Sir,

THE character and present state of the negotiations which have been conducted on behalf of this company with the Foreign Office and the Board of Trade in connection with the conditions which are in future to regulate the navigation of the Euphrates and Tigris were explained to my Board to-day at a full meeting. After careful consideration I have been instructed to convey to you the following reply to your letter of the 2nd instant, covering an *aide-mémoire* embodying the views of Lord Inchcape:—

The intimation contained in your letter under acknowledgment, to the effect that the suggestions submitted in the very tentative conversation between myself and Messrs. Stanley and Ashley at the Board of Trade have been placed before Lord Inchcape, has painfully surprised us. We were given to understand at the Foreign Office that the Board of Trade, assisted, possibly, by expert advice from outside, would be in a position to "hammer out" with us the heads of a working agreement to be concluded between the proposed new Ottoman company and this company. The procedure indicated was that this agreement would then be submitted to my Board and to our legal advisers. We were particularly requested to say nothing to Lord Inchcape at this stage, and we, for our part, requested (see our chairman's letters of the 21st and 27th ultimo) that before the agreement had been "hammered out" nothing should be said to a prospective concessionnaire. The reasons for this will be obvious after a perusal of our chairman's memorandum of the 21st ultimo communicated to the Foreign Office. It was clearly understood that this memorandum was tentative and non-committal. The board of this company has only now been invited to consider the subject. The true nature of the proposals of His Majesty's Government has still been unexplored. Is it, for instance, proposed to set up two separate and expensive European administrations at the various internal ports to manage the pooled steamers? Would not this greatly hamper competition with a railway? To discuss such questions at this stage with a prospective concessionnaire, naturally anxious to push his own firm into the interior from the seaboard, would scarcely seem to be a profitable course. We also felt that if we entered at such an early stage upon conversations with a prospective concessionnaire we should be brought into relations of antagonism and conflict with him which it was highly desirable to avoid.

My Board note that the proposals placed before us by the Secretary of State, as interpreted by Lord Inchcape, amount to the offer of one-third of the foreign share capital to be subscribed for by this company, the two companies to be worked on a pooling arrangement. Lord Inchcape proposes further that a payment shall be made to this company, in some other form than that of fully paid up shares, in consideration of their "position as pioneers of the navigation." In return for these ambiguous advantages and safeguards, my Board are asked to enter into certain guarantees and to forego certain claims. On the other hand, by the provisions of a diplomatic convention, the concessionnaire would inherit the results of our lengthy negotiations with the Turkish Government at the instance of His Majesty's Government, and the interests which he represents would not only be extended from the seaboard to the interior, but would be placed in a position of primacy in relation to the navigation of the internal

waters. With great respect, my Board is unable to regard these proposals, so interpreted, as serious business propositions.

We have thought with His Majesty's Government that for political reasons it might be best to forego the present favourable opportunity for reviving and carrying the amalgamation scheme and to keep this company in being. We did not, however, anticipate that we should be invited to take a merely subordinate part in the revival by British capital of the Ottoman company. We are the only parties who have established a claim to bring about this revival. Moreover, should we not be given a very effective say in the control and management of the new concern to be endowed with unlimited powers of expansion, any safeguards in the shape of freight and pooling arrangements would be wholly inadequate to withstand the changing circumstances of a long period of time. If the actual control is to be vested in other hands, we submit that it is only just that we shall be offered the largest possible share in the new concern compatible with the holding and keeping by the concessionnaire of such actual control. We submit further that only in this way would there be any prospect for the survival and continued prosperity of the British company.

I have the honour to enclose a memorandum containing the outlines of such an arrangement, framed in such a way as not to run counter to the proposals of His Majesty's Government, while, at the same time, protecting, as we hope would be the case, the interests of our own company. The task has been a difficult one, and we do not see our way to whittling down any further the requirements contained therein which we submit are strictly reasonable.

Alternatively, we would respectfully request His Majesty's Government either to revive the amalgamation scheme or to arrange in the convention under negotiation with Turkey that the British company shall be endowed with powers of expansion at least sufficient to enable it to deal in the future with its present proportion of the traffic.

I have, &c.
FRED. W. PARRY, *Secretary.*

Enclosure 2 in No. 350.

Outline of Agreement between the Concessionnaire of the proposed New Ottoman Company on the one part and the Representative of the Euphrates and Tigris Steam Navigation Company on the other part.

SUBJECT to the casting vote at board meetings, together with a slight preponderance in the share capital to be subscribed by foreign shareholders remaining in the hands of the concessionnaire, the concessionnaire to undertake:—

(1.) That the balance of the foreign share capital shall be allotted to the Euphrates and Tigris Steam Navigation Company (Limited).

(2.) That the first foreign directors shall be appointed by mutual agreement between the concessionnaire and the holders of the block of shares allotted to the Euphrates and Tigris Steam Navigation Company (Limited).

(3.) That the holders of the aforementioned block of shares shall have the right of being represented upon the board of the Ottoman Company by directors equal in number to the other foreign directors.

2. In addition to the legal domicile to be established at Constantinople the new Ottoman Company shall be directed from an office in London independent of the respective offices of the concessionnaire and of the Euphrates and Tigris Steam Navigation Company (Limited). The staff shall be selected by mutual consent between the concessionnaire and the Euphrates and Tigris Steam Navigation Company (Limited).

3. The concessionnaire and the representative of the Euphrates and Tigris Steam Navigation Company (Limited) to undertake on behalf of their respective companies that the new Ottoman Company and the Euphrates and Tigris Steam Navigation Company (Limited) shall be locally managed by the same agents at Bagdad and all other internal stations. At Basra, which is the terminus of the ocean traffic, each company may appoint separate agents. The first agents at Basra of the new Ottoman Company shall be Messrs. Gray, Mackenzie and Co., and the first agents at Bagdad and all other internal stations shall be Messrs. Lynch Brothers. These local agents shall

be appointed for a period of years, after which they may be changed by a unanimous vote of the directors of the new Ottoman Company.

The local agents shall establish separate offices for the new Ottoman Company, at each of which a Turkish mudir shall be employed.

4. The concessionnaire to agree on behalf of himself and of Messrs. Gray Dawes and Co. in London, together with their agencies and connected firms that neither he nor they nor any of their respective agents or servants shall buy or acquire shares of the Euphrates and Tigris Steam Navigation Company (Limited).

The Euphrates and Tigris Steam Navigation Company (Limited) and the concessionnaire to agree that they will neither of them, directly or indirectly, acquire any further shares or interest in the new Ottoman Company beyond the shares originally to be allotted to them, except by mutual consent.

5. The concessionnaire to undertake that a working agreement between the Euphrates and Tigris Steam Navigation Company (Limited) and the Ottoman Company shall be concluded as follows:—

It is assumed that the controllers of the two concerns are animated by the desire to arrive at a permanent understanding whereby undue competition on the rivers shall be prevented and the interests of the Euphrates and Tigris Steam Navigation Company (Limited) and the Nahrieh Company alike shall be effectually protected, while at the same time affording means fully to provide for the expansion of trade. But, inasmuch as the Euphrates and Tigris Company's fleet is arbitrarily limited to three steamers and their barges, while there is to be no limit to the fleet of the new Ottoman Company it becomes in the first place necessary, in order to arrive at a working arrangement, that each company should be allotted its fair proportion of the actual traffic.

The statistics for the last five years, 1908–12 inclusive, establish the average quantity of the traffic carried by each company as follows:—

Euphrates and Tigris Steam Navigation Company (Limited): 52 per cent. equals thirteen-twenty-fifths of the whole.
Nahrieh Company: 48 per cent. equals twelve-twenty-fifths of the whole.

If we confine ourselves to the last two years, 1911–12, the proportions work out as follows:—

Euphrates and Tigris Steam Navigation Company (Limited): 56 per cent. equals fourteen-twenty-fifths of the whole.
Nahrieh Company: 44 per cent. equals eleven-twenty-fifths of the whole.

It would only be fair to apportion the traffic on the actual conditions of fourteen-twenty-fifths to the Euphrates and Tigris Steam Navigation Company (Limited), and eleven-twenty-fifths to the Nahrieh Company. But, as the fleet of the Euphrates and Tigris Steam Navigation Company is restricted, the extent to which this company could avail themselves of the benefit of this proportion would, of course, be governed by the carrying capacity of this restricted fleet. The new Ottoman Company would derive the benefit of any further increase in trade.

The machinery to carry out this arrangement would be the following:—

Each company would deal with its own shippers independently. But a clearing house would be established at Bagdad, to be administered by a Board of two controllers, one appointed by each company.

The duties of the Board would consist of apportioning and adjusting the quantity of cargo and passengers between the two lines of steamers. Copies of the steamers freight manifests and passengers lists, showing total quantity of cargo and passengers carried and freight and passage money received, would be handed into the clearing house at the termination of each voyage of each steamer belonging to each company.

At the end of each month, or at any other convenient period, the total quantity of the traffic would be computed and the amount carried by each line of steamers ascertained. If one company should have carried more or less than its proper proportion, an adjustment would be made either by arranging for an increase or for a reduction in the quantity to be carried in the period or periods next following or by a freight credit.

The two companies would fix the rate of freights and passenger fares to be charged at so much per mile and agree to make no change in the fixed rates except by mutual consent. No rebates or commissions other than those mutually agreed would be permitted.

The above arrangement would provide for the carriage of any quantity of cargo the trade demanded, as the Ottoman Company would be able to expand its freightage capacity by increasing its fleet, while the Euphrates and Tigris Steam Navigation Company (Limited), would be secured in obtaining its proportion of the trade, as limited by the capacity of its steamers. Moreover, it would have the effect of preventing the Ottoman Company from putting on steamers not required by the trade.

A question has been raised that difficulties may arise by one company running an efficient service of steamers and the other an inefficient service. The Euphrates and Tigris Steam Navigation Company (Limited), being assured of its proportion of the traffic, might run obsolete steamers, while the Ottoman Company might put on new and fast steamers. This point is hardly worth consideration in view of the fact that the Euphrates and Tigris Steam Navigation Company would, for its own protection, endeavour to run steamers equally efficient to the steamers of the Ottoman Company in order to be in a position to carry its proportion as far as possible.

6. In the event of the retirement or death of the concessionnaire, his successor to be agreed upon between the holders of the block of shares which he represents and the holders of the Euphrates and Tigris Steam Navigation Company (Limited), block of shares. Should they fail to agree, his successor to be appointed by the British Foreign Office. Such successor to undertake to carry out the terms of the present agreement, including article 4.

[26617] No. 351.

Draft communicated by Hakki Pasha, June 10, 1913.

ARTICLE

LE Cheikh de Koweit et ses dépendants sont obligés de remettre aux autorités des provinces limitrophes, sur leurs demandes et sans retard aucun, les personnes poursuivies par les tribunaux ottomans et qui se seraient réfugiées sur le territoire de Koweit.

[26619] No. 352.

India Office to Foreign Office.—(Received June 10.)

Sir, *India Office, June 10, 1913.*

WITH reference to your letter of the 4th June regarding the reception of a Turkish agent by the Sheikh of Koweit, I am directed by the Secretary of State for India to forward, for the information of the Secretary of State for Foreign Affairs, copy of a telegram that has been received from the Political Resident in the Persian Gulf regarding his proposed visit to Koweit and Mohammerah. I am to enquire what answer Sir E. Grey would wish returned to Sir P. Cox, and whether he would consider it desirable, as in the case of Koweit, that some further honour should be bestowed upon the Sheikh of Mohammerah when the negotiations with Turkey are finally brought to a close.

I am, &c.
T. W. HOLDERNESS.

Enclosure in No. 352.

Resident, Bushire, to Government of India.

(Telegraphic.) P. *June 7, 1913.*

KOWEIT.

With reference to the Secretary of State's telegram of the 6th instant, His Majesty's ships are engaged on the Tangistan coast while the "Lawrence" is in dock. I had requested the senior naval officer, after this duty was completed, to send me to Koweit and Mohammerah in order that I might interview the sheikhs before I proceeded, some four or five days hence, on my quest with reference to the missing cutter of H.M.S. "Perseus." In regard to Koweit, can the details of the initialled agreement now be communicated to the sheikh, and as regards Mohammerah, are the Riverain

Commission and the question of the sheikh binding himself in the manner stated in the telegram from the Secretary of State—see last paragraph—which was repeated by the Foreign Department on the 7th May, to be touched upon?

(Repeated to Secretary of State.)

[26610] No. 353.

Sir H. Babington Smith to Foreign Office.—(Received June 10.)

(Confidential.)

Sir, *50, Cornhill, London, June 10, 1913.*

I BEG to acknowledge the receipt of your letter of the 9th June with reference to the ports of Trebizond and Samsoun; and I have great pleasure in giving the information for which Secretary Sir Edward Grey asks.

I enclose a copy of the contract,* signed on the 21st August, 1911, between the Minister of Public Works on behalf of the Ottoman Government and the National Bank of Turkey. Under the preliminary contract the National Bank of Turkey undertook to have surveys and studies made and plans prepared for harbours at Samsoun and Trebizond. These plans were to be presented to the Government within eighteen months from the signature of this contract; and when the plans have been approved by the Government, the bank has, for a certain period and on the conditions defined in the final contract, the option of taking the concession for the construction and working of the two ports. The concession has finally to be confirmed by a law; and in article 6 of the preliminary contract there are certain provisions which take effect if the concession is not confirmed or if there is delay in confirmation.

The National Bank of Turkey arranged with Sir John Jackson (Limited) to carry out the surveys; and the complete studies, plans, &c., prepared by that firm were handed to the Ministry of Public Works on the 11th February, 1913. On the 21st April (4th May), 1913, a letter was received from the Ministry of Public Works stating that the plans had been found acceptable as a whole, but suggesting certain modifications of design. These suggestions are now under consideration, and we have agreed with the Ministry of Public Works that the time allowed by the contract for the consideration and settlement of the plans should be extended.

Sir E. Grey will observe that the contracts which have been signed are something more than a mere "contrat d'études." They give to the bank an option of taking the concession on the conditions defined.

I am, &c.

H. BABINGTON SMITH.

[25514] No. 354.

Sir Edward Grey to Prince Lichnowsky.

Your Excellency, *Foreign Office, June 10, 1913.*

I HAVE the honour to acknowledge the receipt of your note of the 5th April relative to the Abu Musa oxide concession.

I have the honour to state in reply that the proposals of Messrs. Robert Winckhaus and Co., as formulated in the letter enclosed in your Excellency's note, will be carefully examined, but that His Majesty's Government, without going into details for the present, think it unlikely that the counter-proposal of the firm will be found to afford a suitable basis of settlement, as, to quote one example only, appears from the difference in their position under the original contract and that which they now seek to obtain.

I have, &c.

E. GREY.

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* Not printed.

[26463] No. 355.

Memorandum sent to German Ambassador, June 10, 1913.

SIR E. GREY has had under careful consideration the record of the conversation which took place at the German Embassy on the 7th May between Herr von Kühlmann and Mr. Parker respecting the Bagdad Railway.

Sir E. Grey understands that a copy of this record is in possession of the German Embassy, and he now has the honour to state that His Majesty's Government would be prepared to conclude an arrangement on the basis of the paragraphs numbered 1, 2, and 3.

With regard to paragraph 4, His Majesty's Government have negotiated a convention (which has been initialled *ad referendum*) with the Ottoman Government for the establishment of an Ottoman Commission, which is to be entrusted with the improvement of conditions of navigation on the Shatt-el-Arab. One of the two commissioners will be a British subject, and the draft convention provides that the Shatt-el-Arab shall be open to the ships of all nations. It further provides that any dues shall be levied on a basis of absolute equality without regard to the nationality of sea-going vessels or their cargoes.

With regard to paragraph 2, point (*d*) His Majesty's Government would suggest that any control at Basra secured to the Ottoman Government should be exercised through the proposed Shatt-el-Arab Commission.

As regards paragraph 5, His Majesty's Government would, on the conclusion of the proposed arrangement, and on receiving an assurance that there would be no discrimination against British merchandise either in railway rates or in traffic facilities, be prepared to give an undertaking similar to that contained in article 3 of the Russo-German agreement of the 19th August, 1911, viz.:—

"Reconnaissant l'importance générale qu'aurait pour le commerce international la réalisation du Chemin de Fer de Bagdad, le Gouvernement russe s'engage à ne pas prendre de mesures visant à en entraver la construction ou à empêcher la participation de capitaux étrangers à cette entreprise, à condition, bien entendu, que cela n'entraîne pour la Russie aucun sacrifice de nature pécuniaire ou économique."

The draft of an agreement on the lines referred to above has been prepared, and is submitted herewith for the consideration of the German Government.

Foreign Office, June 10, 1913.

Enclosure in No. 355.

Draft Anglo-German Declaration.

HIS Britannic Majesty's Government declare that they will not oppose the construction and management by the Bagdad Railway Company of the proposed railway between Bagdad and Basra.

2. The Bagdad Railway Company, having agreed, in so far as they are concerned on the following arrangements with the Imperial Ottoman Government, the Imperial German Government, so far as concerns themselves, hereby adhere to the said arrangements and confirm them and guarantee their due execution:—

(*a.*) The construction of a branch from Basra (Zubeir) to the Persian Gulf, referred to in article 1 of the Bagdad Railway Convention of the 5th March, 1903, shall be indefinitely postponed, and shall in no case be undertaken unless and until there is complete agreement on the

subject between His Britannic Majesty's Government, the Imperial German Government, and the Imperial Ottoman Government.

(*b.*) In the event of the construction of the said branch being eventually undertaken, the Bagdad Railway Company, while desiring to participate in the construction, forgoes all claim to participate in the management; though adequate arrangements shall be made to secure facilities for through traffic from and to the Bagdad Railway Company's system.

(*c.*) The terminus of the Bagdad Railway Company's line shall be at Basra; and the Bagdad Railway Company shall renounce all claims, whether under article 23 of the Bagdad Railway Convention of the 5th March, 1903, or in any other way derived, to build a port or railway terminus on the Persian Gulf.

(*d.*) The construction of the proposed port at Basra shall be executed in a manner to be mutually agreed upon, and so that British participation in the undertaking shall amount to 50 per cent. of the whole.

The control of the port of Basra shall be exercised as provided in Annex No. 1 attached to the present declaration.

(*e.*) Two British directors, selected from a list of candidates to be submitted by His Britannic Majesty's Government, shall be admitted to the Board of the Bagdad Railway Company; and no discrimination, direct or indirect, shall be permitted on the Bagdad Railway Company's system, either as regards facilities or rates of charge for the conveyance of like articles between the same points on account of the ownership, origin, or destination of goods presented for transport, or in any other manner whatsoever.

3. The Imperial German Government declare that they will in no case themselves establish, or support any claim by any persons or corporations whatsoever to establish, a port or railway terminus on the Persian Gulf, without the prior assent of His Britannic Majesty's Government.

4. The Imperial German Government undertake that they will in no wise encourage or support claims on the part of German subjects to participate in any enterprise of navigation on the Rivers Tigris and Euphrates.

It is nevertheless understood that this article in no wise affects the rights conceded by article 9

of the Bagdad Railway Convention of the 5th March, 1903, relative to the importation of materials exclusively destined for the construction of the Bagdad Railway, except in so far that it is hereby expressly agreed that the said rights shall not continue to be exercised for more than five years from the date of signature of the present Declaration.

It is further agreed that if an arrangement, to the satisfaction of the parties concerned, can be made for the conveyance by river of the said materials through British or Ottoman agency, His Britannic Majesty's Government and the Imperial German Government will lend their best endeavours to the conclusion of such an arrangement.

5. His Britannic Majesty's Government will use their best endeavours to secure that the navigation of the Shatt-el-Arab shall be carried on on terms of absolute equality for the vessels of all nations without regard either to the nationality of the vessels or of their cargoes.

6. (Article corresponding to article 3 of the Russo-German Agreement of the 19th August, 1911.)

7. No discrimination shall be made by the concessionnaires for river navigation on the Tigris and Euphrates as regards facilities or rates of charge for the conveyance of like articles between the same points on account of the ownership, origin, or destination of goods presented for transport.

8. A representative of German interests to be selected from a list of candidates to be submitted by the Imperial German Government, shall be admitted, "à voix consultative," to the board of the proposed Ottoman Company for navigation on the Rivers Euphrates and Tigris for the purpose of safeguarding the interests of German trade against discrimination of any kind.

[26616] No. 356.

Projet de Note anglaise (suggested on June 10 by Hakki Pasha in place of our Draft).

LE Gouvernement de Sa Majesté britannique n'a pas manqué d'examiner avec attention les différentes demandes formulées par la Sublime Porte à certaines époques et, en dernier lieu, au cours des négociations qui eurent lieu à Londres pour le règlement des questions pendantes entre les deux pays. Le soussigné, Principal Secrétaire d'Etat de Sa Majesté le Roi pour les Affaires Etrangères, vient, par la présente, communiquer à l'Ambassade Impériale de Turquie les décisions auxquelles son Gouvernement s'est arrêté sur les cinq points formant l'objet de ces demandes:—

1. Le Gouvernement britannique donne son consentement à la nouvelle majoration proposée de 4 pour cent des droits d'entrée en Turquie, qui seront ainsi portée à 15 pour cent *ad valorem* sans limitation de temps. La nouvelle majoration ne pourra être appliquée aux marchandises anglaises que si elle l'est également à tous les produits étrangers et après qu'un délai minimum de six mois ait été laissé avant sa mise en vigueur.

2. Le Gouvernement de Sa Majesté britannique déclare consentir à la conversion éventuelle des 15 pour cent *ad valorem* en un tarif de droits spécifiques aux conditions suivantes :—

(*a.*) Ledit tarif sera élaboré de commun accord.

(*b.*) Il n'entrera en vigueur qu'après un délai raisonnable, pas moins qu'un an après sa promulgation.

(*c.*) Il ne pourra, non plus que les 15 pour cent *ad valorem*, être changé ou modifié sans qu'un accord intervienne à ce sujet entre les deux Gouvernements.

3.

4. Le Gouvernement de Sa Majesté britannique déclare qu'il n'a pas d'objection de principe à l'abolition de ses bureaux postaux en Turquie à la condition que cette mesure s'étende à tous les bureaux étrangers, et que l'administration postale ottomane offre pour la transmission des correspondances les garanties requises de la sécurité et de la célérité. Le Gouvernement Royal n'a pas, non plus, d'objection à la vente, dans ses bureaux en Turquie, de timbres-postes ottomans. Ceci exigeant l'établissement d'une surcharge et certaines mesures d'ordre technique, il est prêt à entamer des négociations à ce sujet si les autres États ayant des bureaux de poste en Turquie conviennent d'étudier ce changement de système.

5. Le Gouvernement Royal espère que le Gouvernement Impérial créera sous peu, avec les réformes sérieuses de sa législation et de son organisation judiciaire, un état de choses susceptible de faire envisager la possibilité de l'abolition des capitulations. En attendant, et comme le système actuel pourra être amélioré dans beaucoup de ses détails, il se déclare prêt à nommer ses délégués si tous les Gouvernements internationaux se mettent d'accord pour l'institution d'une commission d'études.

Annex.

Memorandum sent in Draft to Hakki Pasha, June 5, 1913.

HIS Majesty's Government have had under careful consideration the various draft conventions and declarations which have been drawn up, and initialled *ad referendum*, in the course of the recent negotiations with Hakki Pashi; they have also examined, with close attention, the memorandum communicated by his Highness on the 1st May, comprising a list of various concessions to which the Imperial Ottoman Government desire that His Majesty's Government should give their assent.

These documents may be dealt with under their several headings as follows :—

1. A convention relating to the establishment of a Commission to improve the conditions of navigation of the Shatt-el-Arab; and a declaration, annexed to the convention, providing for the representation on the Commission of neighbouring, but non-Turkish, *de facto* interests in the river.

His Majesty's Government are prepared to adhere to both these instruments, subject to a modification in article 21 of the convention, increasing its minimum duration to a period of sixty years, as in the case of Declaration No. 5 (*vide infra*). Since the assent of His Majesty's Government to the increased customs duties is requested for an unlimited period, and not merely for seven years, His Majesty's Government trust that the Imperial Ottoman Government will raise no objection to such a modification of article 21.

2. A convention, with a secret declaration annexed, providing for the settlement of the respective interests of Great Britain and Turkey in the region of the Persian Gulf.

To these documents His Majesty's Government are prepared to adhere.

3. A declaration, with the necessary maps, indicating the line of the Turco-Persian frontier from the region of Hawizeh to the sea.

His Majesty's Government are willing to join in this declaration; they understand, however, that an agreement providing for the settlement of the remaining part of the Turco-Persian frontier will likewise be concluded forthwith. As the Ottoman Government are aware, His Majesty's Government attach the greatest importance to the conclusion of this arrangement.

4. A convention relating to conditions of railway transport, and a declaration providing for the terminus of the Bagdad Railway to be at Basra.

His Majesty's Government are satisfied with the terms of this convention, provided the words "Turquie d'Asie" are substituted for "Asie Mineure" where they occur; the proposed declaration as to the terminus being at Basra is of cardinal importance.

5. A declaration respecting river navigation on the Euphrates and Tigris.

His Majesty's Government are prepared to accept this declaration as a satisfactory settlement of the question, subject of course to the adjustment of details between the Imperial Ottoman Government and the concessionnaire.

6. A declaration regarding the borrowing powers of Egypt.

[Addition to come here.]

The points to which the assent of His Majesty's Government is desired by the Imperial Ottoman Government are five :—

1. *An increase to* 15 *per cent.* ad valorem *of the Turkish import duties.*

It will be recalled that in 1907 His Majesty's Government, in concert with the other Powers concerned, agreed to the increase of the Turkish import duties from 8 per cent. to 11 per cent. *ad valorem* for a specified purpose and for a limited period of seven years, which expires in 1914.

In their note of July 1912 His Majesty's Government expressed their readiness, on stated conditions to agree,—

" to the maintenance, for a period of seven years, ... of the increase in the general rate of customs duty leviable on British goods on importation into the Ottoman Empire from 8 per cent. to 11 per cent. *ad valorem* which was agreed to in 1907, and also to the further increase of this general rate of customs duty from 11 per cent. to 15 per cent. *ad valorem* for the same period."

The present request of the Ottoman Government goes considerably beyond this concession: nevertheless, on the successful conclusion of the negotiations which have been proceeding with His Highness Hakki Pasha in London, His Majesty's Government are prepared to agree to the levy on British imports of 15 per cent. *ad valorem* without stipulating for a limitation of the period during which such a rate shall be enforced.

It must, however, be distinctly understood that this assent of His Majesty's Government is subject to two further conditions, firstly that the assent of other Powers concerned is obtained to the levy of a similar rate on their respective imports, and secondly that a period of notice, of not less than six months, is given before the increased duties are levied.

2. *The eventual substitution of a specific tariff, to be fixed by mutual agreement, for the proposed* 15 *per cent.* ad valorem *rate.*

Provided that such a change meets with the approval of other Powers, His Majesty's Government would be prepared to agree to it in principle, subject to the following conditions :—

(*a.*) The details of the scheme of conversion must be previously agreed between Great Britain and Turkey.

(*b.*) No such tariff, even when it has been agreed upon, shall be put into operation without a reasonable period of notice, which in any case shall not be less than twelve months.

(*c.*) The Imperial Ottoman Government shall previously make a declaration that the rights at present enjoyed by His Majesty's Government, whether under or by virtue of capitulations, treaties, notes, declarations, or otherwise, to veto any increase in the duties leviable on British imports into Turkey shall be fully reserved.

3. *The imposition of the "temettu" tax on British subjects on condition of its imposition on all foreigners in Turkey.*

This question is the subject of active negotiation at the present time between the Imperial Ottoman Government and the Embassies at Constantinople, and His Majesty's Government would hesitate to institute collateral negotiations in London, since to do so might lead to misunderstanding and misconstruction.

4. *The abolition, in principle, of foreign post offices in Turkey; and, pending their abolition, the sale of Ottoman stamps.*

Though certain Powers have, His Majesty's Government are well aware, given a conditional assent to the abolition of their respective post offices in Turkey, the question is one in which it is impossible for His Majesty's Government to dissociate themselves from the collective action of the Powers. They are, however, prepared, subject to the assent of other Powers to a similar step, to agree to the abolition of British post offices in principle, on the understanding that no such abolition shall be effected until they are satisfied that the Ottoman postal administration affords adequate guarantees of security and promptitude in transmission of correspondence.

His Majesty's Government have no *primâ facie* objection to the sale of Turkish instead of British stamps; but it would be necessary to surcharge the stamps used in the British post offices, or otherwise differentiate them from the stamps sold at Ottoman Post Offices or the postal agencies of other Powers, and the technical details would have to be submitted to careful expert examination so as to avoid difficulties of accountancy and interference with the British local administration.

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If the other Powers concerned agreed to a similar change in principle, His Majesty's Government would be prepared to appoint a delegate to enquire whether the change is practicable.

5. *To study the question of the abolition of the Capitulations.*

As the Imperial Ottoman Government are aware, His Majesty's Government have consistently maintained that, *inter alia*, their right to veto the increase of taxation on British subjects and merchandise is derived from the capitulations, and this right they are not prepared to abandon.

Pending the introduction of drastic reforms in the Turkish judicial administration, His Majesty's Government feel that it would be somewhat premature even to study the possibility of abolishthecapitulations. None the less, they are prepared, if the other Powers agree to such a course, to appoint representatives to examine how far the existing conditions under the capitulations are capable of improvement.

[27274] No. 357.

Note by Captain Wilson regarding the proposed provision for the Extradition from Koweit of persons wanted by the Turks.

[N.B.—The word "extradition" is used for convenience only: it is scarcely applicable in its strict sense.]

THE following notes represent, I believe, generally speaking, the view of the question that would be taken by Sir P. Cox: I have written without reference to records, however, and subject to correction on all points:—

1. Extradition has been refused by the sheikh in the past to the Turkish authorities, and cases are on record at Bushire where the demand has been made by the authorities of Basra, not complied with by the sheikh and not pressed by the Turks. The existing *status quo* certainly does not provide for it, and on this ground I think we should resist any formal demand for it.

2. The Sheikh of Koweit could not possibly enforce extradition on his dependants on the drastic scale provided for in Hakki Pasha's draft, and his personal prerogatives in such a matter are strictly limited by immemorial Arab custom and local observance.

3. The indiscriminate extradition of accused persons is contrary to well-known and almost universally recognised Arab (and Mohammedan) custom; whether provided for in our agreement or not, it cannot in practice be observed locally and can only lead to friction and give local Turkish authorities occasion to pick quarrels with the sheikh.

A useful case to quote in support of the above contention might be the murder by Arabs in 1904 of a Bahrein notable whilst hunting on Turkish territory in Hasa. My recollection is that when we demanded the surrender of the guilty parties the Turks pleaded that the malefactors had taken refuge with an Arab tribe who refused to give them up, and that the Turkish authorities were not in a position to insist on their surrender.

4. Hakki Pasha's draft provides for extradition of any persons wanted by the Turkish provincial authorities whether Turkish subjects or not, and whether accused of serious crime or of petty civil misdemeanour; nor does it provide for any reciprocal

obligation on the part of the Turks. In all these respects it will certainly be unacceptable and unworkable.

Turkey has refused "extradition" (the capitulations notwithstanding) to Great Britain; she has also generally in practice refused it to Persia, in spite of the specific provisions of the treaties of 1746 and 1823. The fact is, the principle of extradition is repugnant to eastern ideas.

5. My impression is that Hakki Pasha's draft goes far beyond the provisions of Ottoman law on the subject.

No Arab chief in Turkish Arabia or Mesopotamia is expected to hand over without question any person against whom proceedings are pending in the Ottoman tribunals (by which the judicial tribunals are presumably intended). In this connection I am under the impression that the papers regarding the Glanville murder at Basra in 1904 or 1905 will show that the local authorities at Basra admitted their inability to obtain the surrender of accused persons who had taken refuge with certain Arab tribes such as the Muntafik and Al-bu-Mahammad.

6. In support of the contention (paragraph 3 *supra*) regarding Arab and Mohammedan custom, it may be mentioned that no arrangements for extradition *inter se* exist between any Mohammedan principalities as far as my own knowledge goes, *e.g.*, Muscat and Zanzibar, Muscat and Bahrein, Bahrein and Koweit, and Persia and Turkey (in practice). Each case is dealt with on its merits as it arises, the laws of hospitality and sanctuary being jealously guarded. See Moirs Commentary on the Koran and Doughty. The Koranic law has, I believe, explicit provisions on the subject.

We ourselves, if I remember right, do not extradite Muscat subjects from India on principle, but I am not clear about this.

7. There are some thousands of Persians, Bahreinis, and Trucial Coast Arabs in Koweit, and every year Arabs from Najd and elsewhere visit Koweit. The extradition of persons coming under these categories, and of persons who are only colourably Turkish subjects would raise very awkward questions.

Having regard to the above, I venture with great deference to suggest—

(1.) That any provision for extradition is unnecessary, Koweit being a Qaza and the sheikh a Qaimmagam (or Wali ?).

(2.) Alternatively, that any provision inserted should be—

(*a.*) Reciprocal and mutual.

(*b.*) That extradition from Koweit should apply only to *bonâ fide* Turkish subjects and *vice versâ*.

(*c.*) Who are accused of grave criminal offences, justiciable by the highest Ottoman judicial tribunals.

(*d.*) That the demand for extradition should come in every case direct from the Porte and not from irresponsible local officials.

(*e.*) That the obligation be qualified by the words, "so far as in him lies the sheikh . . . . ."

(3.) Alternatively, "that a clause be drafted providing that deserters and malcontents from Turkey shall not be received, and shall be expelled if found in Koweit territory."

A. T. W.

June 10, 1913.

[26654] No. 358.

Sir G. Lowther to Sir Edward Grey.—(Received June 11.)

(No. 503. Confidential.)

Sir, *Constantinople, June 6, 1913.*

I HAVE the honour to acknowledge receipt of your despatches No. 150 of the 19th May, No. 152 of the 15th May, and No. 160 of the 24th May, forwarding copies of the Ottoman Ambassador's communications respecting the employment of some twenty-five British officials in Northern and Eastern Anatolia, together with Syria, and of your reply thereto.

In my despatch No. 343, Confidential, of the 24th April I had the honour to

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report, with reference to similar proposals for the provinces of what was then Turkey in Europe, that the Austrian Ambassador was alleged to have pertinently enquired of the Ottoman Minister for Foreign Affairs whether "a monopoly was to be given to England" in the matter, and to observe that a like scheme for Eastern Anatolia and Syria might be similarly looked upon by Russia and France, while these objections would not seem to apply to Western Asia Minor and Mesopotamia.

These Turkish proposals would seem of a nature to beget the maximum of friction and antagonism between England, France, and Russia in the Ottoman Empire, and their logical sequence would be proposals that German officials should reform the Basra and Bagdad Sector, and that French officials should be engaged for Adana, Konieh, and other such vilayets of Asia Minor which Germany may be held to regard as her special sphere of influence. The line of least friction and resistance in the matter would seem to be that the foreign officials for the north-east Anatolian provinces should be Russian; those for Mesopotamia, British; those for Syria, French; and those for Adana and Western Asia Minor, German or other. Tewfik Pasha's communication of the 24th April further remarks that these proposals are meant to be in conformity with the spirit of the Cyprus Convention of the 4th June, 1878, which is a defensive alliance against Russia, and Tewfik Pasha remarks that the Ottoman Government does not wish Russia to participate in the reforms of the seven provinces in the vicinity of her Caucasian border.

The international aspect of the matter is one which concerns His Majesty's Government, but, as I have already had the honour to point out, the Armenians have been convinced by the bitter experiences of the last thirty-five years that effectual reforms in their provinces can only be under the ægis or auspices of Russia, and that only evil can accrue to them from antagonism between England and Russia, whereas in harmonious co-operation between those two Powers, as in the case of the last phase of the Macedonian question, a remedy is likely to be found for the evils from which they have suffered, since reforms were guaranteed by the Treaty of Berlin and the Convention of Cyprus.

The request of the Ottoman Government for seventeen British officials "acquainted with the ways and wants of the East is in itself a confession of inability of the Turks to reform the seven Kurdo-Armenian provinces, in which the Turkish element is practically non-existent. If the reforms have to be carried out by non-Turkish and foreign agency, the geographical proximity of Russia and the peace and prosperity enjoyed by the 2,000,000 of Armenians in the contiguous Russian provinces of the Caucasus are convincing indications to Ottoman Armenians that the only real reforms must be mainly through Russian agency, just as recently-threatened disorders and massacres in the Van, Bitlis, &c., districts are reported to have been averted solely by the fear of Russian intervention.

It is alleged that the decision of the inner circle of the Committee of Union and Progress which inspires and directs the policy of the present Cabinet, is that the reforms in Asiatic Turkey are to be Anglo-German, and Tewfik Pasha's statement would go to prove that the exclusion of Russia is also aimed at. I feel it a duty to report the opinion of Armenians and other competent observers that any projects of reform of an anti-Russian tendency in the provinces inhabited by the Armenians are almost certain to be fraught with disastrous, instead of beneficial, results to the latter.

I may add that it is held here as an axiom that, when the Committee of Union and Progress is in power the Triple Alliance is in power—the direction of Turkey's policy with neighbouring European countries being Austro-German in inspiration and her policy in matters affecting Asiatic Turkey being mainly influenced by Germany, and it may be that all that passes between the Ottoman Embassy in London and your Office on the subject of reforms in the Armenian provinces is confidentially known to the German Embassy in London.

The present Cabinet has not broached to me the question of these projected reforms, and I have consequently not alluded to the matter in my conversations with the Porte.

I have, &c.
GERARD LOWTHER.

[26655]

No. 359.

Sir G. Lowther to Sir Edward Grey.—(Received June 11.)

(No. 504.)
Sir,

Constantinople, June 7, 1913.

WITH reference to my despatch No. 409 of the 13th ultimo, I have the honour to forward herewith a despatch from His Majesty's consul-general at Beirout reporting on the departure of the reform delegates for Paris and London.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 359.

Consul-General Cumberbatch to Sir G. Lowther.

(No. 47.)
Sir,

Beirout, May 30, 1913.

WITH reference to my despatch No. 36 of the 28th ultimo, reporting the departure of two members of the Beirout Reform Committee for Cairo and the capitals of Europe, I have the honour to report that three others left on the 26th instant to join them in Cairo and proceed to Paris together.

The names of the men composing this special commission or "delegation" are—

1. Ahmed Bey Moukhtar Beyhoum (Moslem), member of the most influential Moslem family of Beirout.
2. Khalil Effendi Zeynieh (not Selim Tuiarah, as mentioned in my above-quoted despatch), a Greek Catholic journalist.
3. Selim Effendi Selam, a Moslem merchant of very high standing of Beirout.
4. Ahmed Effendi Tabbarah, a prominent Moslem journalist of Beirout.
5. Dr. Ayoub Tabet, Maronite of Beirout. Highly respectable medical practitioner.
6. Albert J. Sursock, a member of one of the leading Greek orthodox families of Beirout (this gentleman has not left yet).

The mission of these gentlemen, whose expenses are being defrayed by a public subscription, is to plead the cause of reforms and to lay especial stress on the admission of Arabic as the official language along with Turkish in Syria, the extension of the powers of the General Provincial Councils but not those of the valis, the appointment only of officials who speak Arabic, and last, but not least, the employment of foreign advisers.

They hold no written mandate, but have letters of recommendation from some of the heads of religions at Beirout to the "Franco-Syrian" Committee in Paris, which is composed of a dozen Frenchmen interested in the affairs of Syria and a few natives of Syria residing in France.

They have no connection with the "Arab-Syrian" Congress Committee, though they will no doubt meet and discuss matters with them.

They will first present themselves at the Ottoman Embassy in Paris to make the object of their mission known, and, after approaching such French statesmen as they can, they will proceed to London, and possibly to the other European capitals, to awaken interest and sympathy in their efforts on behalf of their country.

I have, &c.
H. A. CUMBERBATCH.

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[26908] No. 360.

Minute by Mr. Parker.

I HAD an interview with Hakki Pasha to-day:

1. He stated that his Government were much disappointed by the abstention of Sir E. Cassel from the small joint advance being made by France and Germany to Turkey, and he hoped this did not indicate an intention to abstain from larger loan operations, as if so it would create a very regrettable impression in Turkey. I said that Sir L. Mallet would be seeing Sir H. Babington-Smith on the 12th June and, though we had no control over the Bank, would mention the point to him. Hakki Pasha said he felt sure a word from the Foreign Office would have the desired effect.

2. He pressed very strongly that Sir E. Grey would oppose an indemnity. He stated that the French would be most grateful if we took the lead in this matter. I said that we had been opposed in principle to an indemnity, though we could not refuse to listen to arguments in favour of one. He said the reports from Paris on the subject were disquieting, and that now was the opportune moment for a *démarche* on our part.

3. He said a difficulty had arisen about the Turco-Persian frontier owing to Sir G. Lowther and his Russian colleague putting forward claims of an impossible nature in regard to the frontier south of Zohab. I said that our information was that the outstanding difficulties were small ones relating to the northern part of the frontier, but that we would telegraph again to Constantinople to find out exactly what was delaying matters. This has been done in a telegram dated the 11th June.

4. He said his Government accepted the formula about Egyptian borrowing powers, already initialled *ad referendum*. They wanted, however, to have the option of making the change by firman or by declaration, as they might deem most convenient. I said we would enquire Lord Kitchener's views on the subject by telegraph. *Primâ facie* there does not seem much objection to leaving them this option.

5. The Turkish Government were prepared to meet us by agreeing, as we had asked, to the minimum duration of the Shatt-el-Arab Commission being for sixty years instead of for twenty-one; they hoped, however, that as they were so

conciliatory on all points we would show a corresponding disposition in regard to any little requests they might make to us.

We initialled the Convention as modified.

6. *Mesopotamian Oil.*—Hakki Pasha said that the two groups, viz., the National Bank and Mr. D'Arcy (Greenway) must be brought to terms. Otherwise the Turkish Government would simply keep the concession in suspense, as otherwise in gratifying one party they would make enemies of the other. The National Bank had inherited, *inter alia*, the rights of the Bagdad Railway Company under their Convention of 1903 in regard to mines and oil for a distance of 20 kilom. on either side of the railway, and that group (viz., the National Bank one) had acquired such other rights as the Germans claimed for what they were worth. The National Bank group included German interests, and if the Turkish Government gave the whole concession to D'Arcy they would be bullied by the Germans.

What Hakki suggested was such a combination as would secure British control by a slight predominance of British interests over German. I said I thought, in view of the past history of this question, that our predominance would have to be more than slight; but that efforts were being made to bring the two groups together, though not with much success so far.

Hakki said that it was clearly their interest to come together.

7. Hakki said that he hoped we would make no difficulty about the rendition of criminals by the Sheikh of Koweit. I said the matter had been referred to the Government of India for their observations.

8. He asked if we had any objection to a monopoly for matches and cigarette papers in Turkey. I said that I would make enquiries from the Commercial Department and let him know.

9. We then entered on a discussion of the "*projet de note anglaise*" which he had suggested as our reply and as more likely to meet with a good reception in Turkey. After a good deal of discussion I said I would submit the following draft to Sir E. Grey, and Hakki Pasha said he hoped it could be initialled *ad referendum* on Friday, the 13th June:—

PUBLIC RECORD OFFICE, LONDON

Le Gouvernement de Sa Majesté britannique n'a pas manqué d'examiner avec attention les différentes demandes formulées par la Sublime Porte à certaines époques et, en dernier lieu, au cours des négociations qui eurent lieu à Londres, pour le règlement des questions pendantes entre les deux pays. Le soussigné, Principal Secrétaire d'Etat de Sa Majesté britannique pour les Affaires Etrangères, vient, par la présente, communiquer à l'Ambassade Impériale de Turquie les décisions auxquelles son Gouvernement s'est arrêté sur les cinq points formant l'objet de ces demandes :—

(i.) Le Gouvernement britannique donne son consentement à la nouvelle majoration proposée des droits d'entrée en Turquie, qui seront ainsi portés à 15 pour cent *ad valorem* sans limitation de temps. La nouvelle majoration ne pourra être appliquée aux marchandises anglaises que si elle l'est également à tous les produits étrangers, et elle n'entrera en vigueur que six mois après sa notification officielle.

(ii.) Le Gouvernement de Sa Majesté britannique déclare consentir à la conversion éventuelle des 15 pour cent *ad valorem* en un tarif de droits spécifiques aux conditions suivantes :—

(*a.*) Ledit tarif sera élaboré de commun accord.

(*b.*) Il n'entrera en vigueur qu'après un délai raisonnable, pas moins d'un an après sa promulgation.

(*c.*) Il ne pourra, non plus que les 15 pour cent *ad valorem*, être changé ou modifié sans qu'un accord intervienne à ce sujet entre les deux Gouvernements.

(iii.) [Addition to come here about "temettu."]

(iv.) Le Gouvernement de Sa Majesté britannique déclare qu'il n'a pas d'objection de principe à l'abolition de ses bureaux postaux en Turquie à la condition que cette mesure s'étende à tous les bureaux étrangers, et qu'il ait l'assurance que l'administration postale ottomane offre pour la transmission des correspondances les garanties requises de sécurité et de célérité. En attendant que l'abolition desdits bureaux puisse se réaliser, le Gouvernement de Sa Majesté britannique n'a pas d'objection à l'emploi, dans ses bureaux en Turquie, de timbres-poste ottomans. Cette mesure exigerait, cependant, l'établissement d'une surcharge et certaines réglementations d'ordre technique. Le Gouvernement de Sa Majesté britannique est donc prêt à entamer des négociations à ce sujet, si les autres Etats ayant des bureaux de poste en Turquie conviennent d'étudier ce changement de système.

(v.) En attendant l'introduction de réformes dans l'administration judiciaire ottomane, le Gouvernement de Sa Majesté britannique estime que le moment n'est pas venu d'envisager la suppression des capitulations. Toutefois, dans le cas où les autres Puissances se mettraient d'accord sur une telle procédure, le Gouvernement de Sa Majesté britannique serait prêt à désigner des représentants en vue de déterminer jusqu'à quel point le régime actuel des capitulations est susceptible d'amélioration.

10. Hakki Pasha then told me that the Bagdad Railway Company were negotiating for a modification of the kilometric guarantees in so far as they are at present, under article 35 of the Convention of 1903, opposed to the development of traffic.

A. P.

Foreign Office,
June 11, 1913.

[26928] No. 361.

Sir H. Babington Smith to Sir Edward Grey.—(Received June 12.)

(Confidential.) *National Bank of Turkey, 50, Cornhill, London,*
Dear Sir Edward Grey, *June* 11, 1913.

CIRCUMSTANCES have arisen which make it necessary to consider the position and future policy of the National Bank of Turkey, and it becomes my duty to lay the whole matter before you.

The National Bank was founded with your strong encouragement, on the ground, as you stated, that the prospects of the regeneration of Turkey and the progress of British interests there, depended on the establishment in Constantinople of British finance of the first rank. You added that it would be a severe blow to the whole of the Government's policy in the Near East if you were obliged to tell the Turks that British financiers would take no interest in Turkish affairs, and the request of the Turks for the establishment of a bank could not be complied with. Such a reply, you considered, would diminish irremediably British prestige and influence at Constantinople, on which the future progress of British trade in the Turkish dominions depended so much. I accepted the presidency of the bank, at the wish of the Government, and because it was urged upon me that it was important in the public interest that I should do so.

From the beginning we had little expectation that ordinary banking business in Turkey could offer any field for the bank's activities. The ground was already fully covered, and little disposition is shown on the part of British mercantile interests to extend their operations in Turkey. Our view, and, as we believe, the view of the Government, was that the bank would occupy itself with questions of Government finance, of public works, of railways and other means of communication, of industrial enterprises, and, generally, with schemes for utilising and developing the resources of the country.

The success of the bank in attaining the objects for which it was founded depended partly on the course of events in Turkey. The hopes which the new régime inspired have been disappointed, and the disasters which have overtaken Turkey have been fatal, for the time, at any rate, to sound finance and to the development of the country. There is little hope that the Turks, without guidance and control from outside, can supply the forces which will regenerate the Empire which remains to them, and it appears extremely doubtful whether Turkish susceptibility and international jealousies will permit assistance from outside to be effective. Having regard to these considerations, and, looking at the question from the investor's standpoint, we should, in any case, have grave doubts about undertaking fresh financial responsibilities in Turkey.

But there is another condition which is essential to the successful working of the bank: I mean the confidence and support of the British Government. The circumstances attending the foundation of the bank gave us every reason to believe that we should possess this, but, to our great regret, this expectation has not been fully realised. I am grateful to you for the kindness and consideration which you have always shown to me personally, and it is with reluctance that I mention a number of circumstances which have forced upon me the conclusion that the National Bank of Turkey does not receive that full confidence and that effective support without which it is impossible to carry out the purposes for which it was created.

You are acquainted with the circumstances attending the Turkish loan negotiations of 1910. This is now somewhat ancient history; and I will only briefly recall the fact that at a moment when we believed that we were in a position to render an important service to the Ottoman Government, and thereby to establish firmly the position of the National Bank, we were met by an expression of opinion on the part of the Foreign Office that the proposed operation was undesirable, and were compelled to withdraw. The effect upon our position was so serious that we very nearly decided at that time to retire altogether from Turkey, and the decision to continue was largely influenced by your unwillingness to see the bank disappear.

The question of the Bagdad Railway is one to which we gave great attention. We were informed that the Government regarded it as a matter of the highest importance to secure a British share, amounting, if possible, to more than half, in the line south of Bagdad, and that they favoured co-operation between British and German interests in that region. Our efforts were directed accordingly during a period of more than three years. Acting in pursuance of your suggestions, we arrived at a provisional understanding with the Deutsche Bank, under which a full half of the capital of the railway south of Bagdad would have been in British hands, and the German interests would have taken a minor share in the irrigation schemes for the development of the regions traversed by the railway. We incurred considerable expense in sending out an expedition to make an independent examination of the possible routes, and to frame estimates. We now find suddenly that, owing to a change of policy, the Government has ceased to desire that British capital should take any part in the construction of the railway. Possibilities of activity, not only in direct connection with the railway, but also in other matters dependent on it, are thus withdrawn.

PUBLIC RECORD OFFICE, LONDON

Mr. von Gwinner, during his present visit to London, has approached us with reference to the arrangements under discussion regarding the British directorships of the railway, the qualifications of the directors, and the ports of Bagdad and Basra, assuming that the Foreign Office had informed us of their intentions and wished us to act as representing British interests in the matter. We were compelled to reply, evidently to Mr. von Gwinner's surprise, that we had not received any indication from the Foreign Office that we were desired or authorised to deal with these questions.

As a compensation, in some sense, for their support to the German railway enterprise, or, at least, for the withdrawal of opposition, His Majesty's Government is stipulating for the concession to a company under British control of the monopoly of navigation on the Tigris and Euphrates. We first became aware that negotiations of this nature were approaching completion from announcements in the press, and we then found that the arrangements for dealing with the proposed concession were almost completed with the chairman of the British India Steam Navigation Company. I readily acknowledge that you replied to representations on my part by placing me in communication with Lord Inchcape with a view to associating the National Bank with the business; but, when I came to discuss the question with him, I found that he was not prepared to contemplate anything more than a very small participation on the part of the bank, and that he had derived the impression, from his communications with the Board of Trade, that the Government did not really desire the National Bank of Turkey to take part in the business at all. I venture to submit that we were entitled to expect that, when the Government were framing their scheme for carrying out the proposed concession, we should have been taken into consultation and should have been invited to take the lead in dealing with the business, in accordance, of course, with the views of the Government and in association with such others as they might desire? Instead of this, we are left to hear of the scheme accidentally, to sue for admittance and to be met with the reply that we are not wanted.

In the case of the recent default of the Ottoman Government in respect of certain Treasury bills we addressed the Foreign Office on the 18th February, immediately after the first default, and again on the 19th March, after the second default, with a request for assistance in the shape of a communication to the Governments of the allied States, which were receiving a portion of the assigned revenues. Similar applications were made to the French Government on the 22nd February and the 31st March by the Bank of Salonica, which was associated with us in dealing with these bills. The French Government sent instructions to its representatives on the 8th April; the Foreign Office, after consulting the French Government, on the 30th April. The French Minister at Athens had by that time already made a representation and received a reply. The British Minister accordingly took no action; and a fresh initiative on the part of the French Government is now being awaited before a joint representation is made. The Bank of Salonica has no special reasons, other than the fact that much of its capital is held in France, for expecting to receive support from the French Government; but we find that its representations receive a more prompt and more effective response than ours, and that in a matter in which British interests are more directly concerned than French the initiative is left to the French Government.

In the question of petroleum in Turkey, we carried to completion prolonged negotiations for the acquisition of German rights and claims in Mesopotamia by a group of which we retain control, and in which one-quarter only is assigned to the German interests. As you are already aware, I kept the Embassy at Constantinople informed of our intentions; and we were given no reason to suppose that the attitude of the Foreign Office towards the proposed combination would be unfavourable. At the last moment we were informed that the support of the Foreign Office was already promised to another group. You suggested a combination between the two groups, and we have been negotiating with that object; but, in the meantime, the whole influence of the British Embassy at Constantinople has been employed against us, and in favour of the other group; and I am informed, from several different quarters, that statements are freely made that the National Bank's group is regarded by the Foreign Office and the embassy as hostile to British interests, not merely on the ground that it contains non-British elements, but on the ground that the National Bank itself is not considered to be completely British in its character. These statements as to the views of the Foreign Office are, I hope and believe, exaggerated; but they could never have arisen if the attitude of the Government towards us had been such as to demonstrate their falsity.

I must ask you to excuse me for this long enumeration of circumstances, which may

appear to be, in each case, of minor importance. I am compelled to do so because their importance arises from their cumulative effect. The conclusion to which we have been unwillingly forced is that our conception of the position which the bank was intended to occupy in relation to the British Government and its economic policy in Turkey is widely different from the position which has in fact been assigned to it. The impression has been produced in the minds of our competitors and of the Ottoman Government, that we are not trusted by the British Government or regarded as the appropriate agency for taking the lead in British enterprises, and that no importance is attached by you to the part which we believed you wished us to take in Turkish finance. Under these circumstances there is only one course to be followed. We propose, at the first suitable opportunity, to relieve ourselves of a task which we cannot, in the conditions I have stated, satisfactorily perform. If there is any British establishment or group which would enjoy your confidence, and to which you would desire to entrust the business, we shall be happy to enter into communication with them. Failing that, we must consider our hands free either to wind up the affairs of the bank or to dispose of its business. There are certain matters connected with the Treasury bills and other questions which we should desire to see settled before making any alteration in the position of the bank; but, subject to these considerations, we desire to take action in the direction indicated at as early a date as may be practicable.

I am, &c.

H. BABINGTON SMITH.

[26870] No. 362.

Mr. O'Beirne to Sir Edward Grey.—(Received June 12.)

(No. 210. Confidential.)
(Telegraphic.) *St. Petersburgh, June 11, 1913*

YOUR telegram No. 441 of 9th June.

German and Austrian Governments have signified they accept Russian Minister for Foreign Affairs' proposal on condition, however, that Turkey take part in deliberations of Ambassadors at Constantinople.

Russian Minister for Foreign Affairs strongly objects to this suggestion. He says that it could only lead to intrigues on the part of Turkey, and that only logical course is for Ambassadors to elaborate a scheme of reforms, which would then be presented to Turkey with authority of all the Powers. He would be most grateful if you would speak in this sense at Berlin.

[27096] No. 363.

Minute by Mr. Parker.

Mesopotamian Navigation.

THE position was this:—

Sir E. Grey laid down

(*a.*) That Lord Inchcape was to be the concessionnaire.
(*b.*) That Mr. Lynch was to have some share, though not control or management.
(*c.*) That the National Bank was to have any banking business connected with the combine, but not to be the concessionnaire.

Lord Inchcape has offered Mr. Lynch 33 per cent. of the British share (which Mr. Lynch says is inadequate). Lord Inchcape was prepared to offer the National Bank 15 per cent., retaining 52 per cent. himself, so as to have control.

So much for the British side of the affair. The National Bank was to have the right to acquire any Turkish shares (which amount to 50 per cent. of the whole), but the Board of Trade made a condition, viz., that if the Bank did acquire any Turkish shares it must surrender its British shares to Lord Inchcape.

The reason of this condition was that the Board of Trade feared the National Bank might otherwise acquire control of the enterprise, and thus rob Lord Inchcape of control.

PUBLIC RECORD OFFICE, LONDON

It has, however, now been suggested that if the statutes of the concession are so worded that the British directors (over whom Lord Inchcape holds the control) vote *en bloc*, then there is no objection to the National Bank holding both British and Turkish shares.

A great difficulty of this question is that Mr. Lynch's *just* claims must be considered.

A. P.

June 12, 1913.

[26984] No. 364.

Board of Trade to Foreign Office.—(Received June 13.)

(Secret.)

Sir, *Board of Trade, June* 12, 1913.

WITH reference to the final paragraph of your letter of the 6th June on the subject of the proposed Anglo-German declaration, I am directed by the Board of Trade to forward to you herewith, for Sir E. Grey's consideration, a draft annex relative to the port of Basra.

I am, &c.
H. LLEWELLYN SMITH.

Annex.

IN the event of the Bagdad Railway Company desiring to exercise their rights under article 23 of the Bagdad Railway Convention of 1903 in respect of the establishment of a port at Basra, they shall form for the purpose a special Ottoman company, to which all the said rights of the Bagdad Railway Company shall be transferred.

The capital of the port company so formed shall be held in equal proportions by the Bagdad Railway Company and its nominees, and a group to be nominated by His Britannic Majesty's Government.

2. Contracts in respect of the construction, equipment, and maintenance of the port shall be allotted to British and German contractors as nearly as possible in equal proportions.

3. No duties or charges of whatever nature or under whatever denomination shall be levied by the port company on any vessels or goods which shall not equally, under the same conditions, be imposed in like cases on all vessels or goods, whatever be the nationality of the vessels or their owners, or the ownership or country of origin or destination of the goods, and whatever be the places from which the vessels or goods arrive or to which they depart.

In all that relates to the stationing, loading, and unloading of vessels in the port, no privileges or facilities shall be granted to any vessel or vessels which shall not equally and under like conditions be granted to all other vessels.

[26986] No. 365.

Mr. Greenway to Mr. Stanley.—(Received by Mr. Parker, June 13.)

Dear Sir, *Board of Trade, June* 12, 1913.

WITH reference to my interview with you this morning, at which you informed me that Sir Babington Smith's group were now willing to concede to our group a 50 per cent. participation in the proposed joint syndicate or company, I have since discussed the matter with such of my colleagues as are at the moment available, and we are of opinion that, if His Majesty's Government consider it quite impossible to effect an arrangement whereby a preponderance of British interests can be absolutely assured, my group may be agreeable to an arrangement on the following lines:—

1. A syndicate or company to be formed in which the Deutsche Bank/National Bank/Anglo-Saxon group, and our group should each have 50 per cent. of participation.

2. Each group to have equal representation on the board of such syndicate or company.

3. The British Government to have the right to nominate a representative on the board, who shall act as chairman and have a casting vote.

4. The syndicate or company to be worked as an entirely independent concern, but all arrangements for the marketing of its products to be entrusted to the two groups on the following basis:—

(*a.*) Oil fuel for all parts of the world by the D'Arcy group.
(*b.*) Benzine for all parts of the world by the National Bank group.
(*c.*) Kerosene, lubricating and other heavy oils, wax, candles, &c., by:—

(1.) The D'Arcy group for Turkey in Asia, Persia, India, Ceylon, Australia, New Zealand, South Africa, and East Coast Africa (excluding Red Sea).
(2.) The National Bank group in Red Sea, China, Japan, Europe, and rest of world.

5. That the local fields and refinery management shall be conducted by Messrs. Strick, Scott, and Co. (Limited) of Bagdad, Basra, and Mohammerah, who are already organised for the purpose.

The above proposals are, of course, only tentative, as I have not yet had an opportunity of discussing them with all of my colleagues; but I think it probable that they would be agreed to if His Majesty's Government cannot see their way to any better arrangement.

Yours faithfully,
C. GREENWAY.

[27103] No. 366.

Sir J. Jackson to Foreign Office.—(Received June 13.)

53, Victoria Street, Westminster, London,

Sir, *June* 13, 1913.

REFERRING to the conversation one of our directors, Mr. J. J. Warbrick, had with one of your secretaries to-day, I beg to confirm that by a cable we have had from our representative in Constantinople, Mr. Eady, we understand that he has been informed that the Foreign Office would regard with serious concern the stoppage for want of funds of the great irrigation works we are engaged upon in Mesopotamia.

Mr. Eady has kept the British Ambassador in Constantinople informed of the situation, and we understand that he has expressed his willingness to assist us. We venture to suggest that his intervention would be more effectual if he were acting on direct instructions from Sir Edward Grey, and we would therefore request that, if our suggestion is approved, a communication should be made to him in that sense.

We understand that the Grand Vizier and the other Ministers are friendly towards us, but the present circumstances of the Government render it difficult for them to provide funds, and it is necessary that pressure should be put upon them to provide at once a further 50,000*l.* to carry on the work of the Hindia barrage, which we hope to complete early in the autumn.

Throughout the whole progress of the war we have carried on these works, with the assistance of the National Bank of Turkey, under considerable difficulties and delays in receiving money from the Turkish Government; but under the present circumstances the National Bank of Turkey is not prepared to give further assistance, and we are not disposed to carry on the works further to be out of funds to a greater extent than we are at present—some 10,000*l.*–20,000*l.*

Our chief representative at Bagdad writes us that he considers at home the importance of keeping our hold in Mesopotamia is not fully recognised, and that it will be more than our fault if we lose our grip in that district. We have the confidence of the Arab, the good-will of the local Government officials, and the respect of all.

It has been a matter of constant remark that, while a large syndicate like the German Railway have had to stop work on the Bagdad section for want of funds, my firm (Sir John Jackson (Limited)) have so arranged as to have been able to have kept the works going during so long and anxious a period.

I shall be glad if, in the circumstances, you can assist in the way suggested.

I am, &c.
JOHN JACKSON.

PUBLIC RECORD OFFICE, LONDON

[27103] No. 367.

Sir Edward Grey to Sir G. Louther.

(No. 259.)
(Telegraphic.) R. *Foreign Office, June* 13, 1913.

YOUR telegram No. 721 of 15th December last: Mesopotamian irrigation.

Jackeons state that they are unable to continue work on Hindie barrage unless Turkish Government can at once provide further sum of 50,000*l*.

You should afford their agent, with whom I understand you are already in communication, your strongest support in his efforts to arrange for this.

[26928] No. 368.

Sir Edward Grey to Sir G. Louther.

(No. 260. Confidential.)
(Telegraphic.) R. *Foreign Office, June* 13, 1913.

THE National Bank have informed me that they intend to withdraw from Turkey. I have told them that I much regret their decision, and have informed them of the proposals which I was on the point of making to them as to participation in various enterprises connected with the approaching settlement of the Bagdad Railway question; but I doubt whether this will alter their decision.

In this case I should be glad to know your Excellency's views as to the effect which will be produced in Turkey by this decision, and as to whether I should endeavour to induce some other British banking firm to take their place.

[26870] No. 369.

Sir Edward Grey to Sir G. Buchanan.

(No. 453.)
(Telegraphic.) *Foreign Office, June* 13, 1913.

MR. O'BEIRNE'S telegram No. 210 of 11th June.

I think it is impossible to meet German and Austrian proposal with a point-blank refusal. It will be necessary at some stage to discuss reforms with Turkey, and no scheme will be accepted by her without complete and cordial co-operation of all the Powers.

I would suggest that Turkey should be informed that Ambassadors wish to consider a scheme of reforms that could be proposed for Asiatic provinces to which Powers could give their cordial support and assistance; that with this object Turkey should communicate to the Ambassadors the scheme of reforms which it is understood she has already drawn up; and that, after Ambassadors have considered the whole question, they will enter into communication with Turkish Government. This would result in elaboration of a scheme of reforms by the Ambassadors as desired by Minister for Foreign Affairs. Ambassadors would of course not be limited to consideration of Turkish scheme, but would only take it into consideration when discussing amongst themselves modifications of 1895 proposals. Portions of Turkish scheme might very likely be usefully incorporated or adapted.

If Minister for Foreign Affairs agrees with this view and urges it at Berlin I will support it.

(Repeated to Paris, No. 234; Berlin, No. 212; Vienna, No. 177; and Constantinople, No. 258, for information only.)

[27148] No. 370.

Memorandum handed to Halkki Pasha, June 13, 1913.

AS the Imperial Ottoman Government are aware, British firms have manifested considerable interest in the question of irrigation in Mesopotamia.

In these circumstances, and in view of the abstention of His Majesty's Government from pressing for British control over any portion of the Bagdad Railway as far as Basra, it would afford much satisfaction to His Majesty's Government if the Ottoman Government would grant to British firms concessions and contracts for more extensive works of irrigation, which could not fail to react favourably on the prosperity of the country.

Foreign Office, June 13, 1913.

[26928] No. 371.

Sir L. Mallet to Sir H. Babington Smith.

Dear Babington Smith, *Foreign Office, June* 13, 1913.

I AM desired by Sir E. Grey to send this provisional reply to your letter of the 11th June, to which a detailed reply will be sent when it has been minuted in the department.

He would, as you know, regret very much if the National Bank were to cease operations in Turkey, especially at the present time.

Before long there will be operations relating to the financing of Turkey, in which it appears to me desirable that British capital should be associated on political grounds, though I am, of course, not competent to express any opinion on the financial attractions of such participation.

He had hoped that the obstacles to British participation in the Bagdad Railway were, owing to our recent negotiations, on the eve of being removed, and he was on the point of expressing the hope that you would become one of the British directors. With reference to what you write about Dr. Gwinner, he did not approach you with a view to direct negotiations between him and the National Bank, because we have only just (on 10th June) made definite proposals to the German Embassy in reply to their suggestions, and until we know of the way in which our proposals are regarded it is obviously premature to conclude anything definite with Dr. Gwinner. He thinks, however, that there is advantage in your entering into negotiations with him, and I am instructing Mr. Parker to explain to you exactly what the position is in regard to this question.

As to oil, the Board of Trade are still in communication with Mr. Greenway, and we are endeavouring to reach a compromise which, while protecting the just interests of the original British applicant, will, we hope, be acceptable to you.

The navigation concession was one in which several British firms had manifested an interest long before the National Bank did, and we obviously could not disregard their claims. But it is probable that more favourable terms may be arranged than those recently put before you, and the Board of Trade are in communication with Lord Inchcape on the subject.

Yours, &c.
LOUIS MALLET.

[27916] No. 372.

Circular Note communicated by Count Benckendorff, June 14, 1913.

DANS un entretien avec l'Ambassadeur d'Allemagne, M. Sazonof a relevé combien serait peu désirable le concours d'un représentant de la Turquie à la conférence projetée des Ambassadeurs au sujet des réformes arméniennes.

Un pareil concours y introduirait un élément dangereux et de nature à traîner l'affaire en longueur.

D'après nos informations, la situation dans les vilayets arméniens est telle qu'il n'y a plus de temps à perdre.

La nouvelle qu'un représentant de la Turquie pourrait siéger au sein de ladite conférence produira certainement une impression de désappointement sérieux dans les sphères arméniennes. La Russie, en prenant l'initiative, ne poursuit qu'un but de pacification la plus rapide et complète possible. Pareille impression parmi les Arméniens ne pourrait que contrecarrer les intentions du Gouvernement Impérial ainsi que celles de toutes les Puissances, sur la solidarité desquelles le Gouvernement Impérial aime pouvoir compter.

PUBLIC RECORD OFFICE, LONDON

Les réformes élaborées d'un commun accord communiquées à la Sublime Porte ne manqueront pas, dans notre opinion, d'exercer sur le Gouvernement turc l'impression nécessaire.

Saint-Pétersbourg,
le 30 mai (12 *juin*), 1913.

[27134] No. 373.

Mr. Greenway to Mr. Stanley (Board of Trade).—(Communicated to Mr. Parker, June 14.)

Dear Mr. Stanley, *June* 13, 1913.

I AM in receipt of your letter of date, and note that I was mistaken in understanding you to say that Sir H. Babington Smith's group were willing to concede our group a 50 per cent. participation in the proposed joint syndicate, and that the suggestion was one that your Department proposed putting forward on their own responsibility.

The suggestion that we might agree to an equal distribution of products with a territorial preference as regards marketing is one that I am afraid we cannot agree to, as in practice it would involve complications which would be difficult, if not impossible, to overcome. The proposals which I have put forward would, so far as kerosene, heavy oils, &c., are concerned, in effect be the same as equal distribution with territorial preference, and so far as regards benzine and liquid fuel, one is a reasonable set off against the other. Moreover, my proposals are better calculated to maintain the independence of our group, and consequently a continuance of competition.

Yours sincerely,
C. GREENWAY.

[27206] No. 374.

India Office to Foreign Office.—(Received June 14.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 13th June, 1913, regarding Nejd.

India Office, June 13, 1913.

Enclosure in No. 374.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *June* 13, 1913.

NEJD.

With reference to your telegram of the 10th instant, a report from Captain Shakespear has reached us, copy of which was forwarded with my Foreign Secretary's letter of the 5th instant, as an enclosure to the letter from the Resident, Bushire, dated 26th May. The report, which deals with the overtures made to Captain Shakespear by the Ameer of Nejd shortly before El Hasa was invaded, shows that the Ameer is confident of securing the co-operation of allied sheikhs and determined to assert as against Turkey the independence of Arab dominion, and that he recognises the present moment to offer special opportunities for decisive action. He shows great anxiety to maintain good relations and to arrive at an understanding with us.

[27217] No. 375.

India Office to Foreign Office.—(Received June 14.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 10th June, 1913, regarding Nejd.

India Office, June 13, 1913.

Enclosure in No. 375.

The Marquess of Crewe to Government of India.

(Telegraphic.) P. *India Office, June* 10, 1913.

NEJD.

With reference to your telegram of the 31st May, the Resident should refer for instructions any overtures that may be made by Ibn Saud. It is the policy of His Majesty's Government to consolidate the Government of Turkey in Asia Minor, and to abstain from intervention in Nejd, whether direct or indirect, as long as possible.

(Repeated to Resident, Bushire.)

[27302] No. 376.

Note communicated by Count Benckendorff, June 14, 1913.

(Confidentielle.)

LE Ministère Impérial des Affaires Étrangères a reçu copie du projet de déclaration *ad referendum*, signé à Londres, le 6 mai, année courante. D'après ce projet, la ligne frontière turco-persane, à partir de Hafiz jusqu'au Golfe Persique, passerait en amont de l'embouchure du fleuve Karoun par le chenal qui divise le Chatt-el-Arab en deux parties égales.

Cette ligne suivrait ensuite la rive persane, même de manière à laisser à la Turquie toute la surface fluviale.

Tout le cours du Chatt-el-Arab se trouverait ainsi cédé à la Turquie et le Karoun n'aurait de débouché sur le Golfe Persique que le bras difficilement navigable de Bechmetor; il semblerait que la valeur du Karoun, en tant que fleuve ouvert à la navigation internationale, en serait sensiblement diminuée.

Le Gouvernement Impérial pense qu'il serait désirable d'éclaircir comment pourrait être garantie la navigation internationale du Chatt-el-Arab; il désirerait de même être informé sur l'état de la question de l'établissement d'une commission internationale de navigation sur ce fleuve.

Le Gouvernement britannique a bien voulu nous communiquer confidentiellement copie de ce projet le 29 juillet, 1912, et nous comptons formuler à son sujet, par l'entremise de l'Ambassadeur d'Angleterre, certaines remarques et exprimer quelques désirs.

D'après le projet de déclaration sur cette frontière, le Gouvernement britannique "s'engage à inviter le Gouvernement persan à accepter le tracé susmentionné de cette frontière comme tracé définitif." Le Gouvernement Impérial n'est pas sans appréhender que pareille réduction n'occasionne quelque froissement de l'amour-propre du Gouvernement persan."

Ambassade Impériale de Russie, Londres,
le 14 juin, 1913.

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[27280] No. 377.

Sir G. Louther to Sir Edward Grey.—(Received June 14.)

(No. 278.)
(Telegraphic.) R. *Constantinople, June 14, 1913.*

YOUR telegram No. 259 of 13th June.

Jacksons' representative has seen Minister of Public Works, and has been asked by him to wait till Wednesday next, when they may be able to say something definite.

I explained the situation to Grand Vizier, who said that, in view of financial condition of Exchequer, he did not see what could be done, but would lay the matter before Minister of Finance.

[26984] No. 378.

Sir Edward Grey to Prince Lichnowsky.

SIR E. GREY presents his compliments to the German Ambassador, and has the honour to transmit to his Highness herewith the draft annex referred to in the draft agreement about the Bagdad Railway and cognate matters.

Foreign Office, June 14, 1913.

[27103] No. 379.

Foreign Office to Sir John Jackson.

Sir, *Foreign Office, June 14, 1913.*

I AM directed by Secretary Sir Edward Grey to inform you that on receipt of your letter of yesterday's date a telegram was sent to His Majesty's Ambassador at Constantinople, informing him of the inability of your firm to continue work on the Hindieh barrage unless the Turkish Government can at once provide a further sum of 50,000*l.*, and instructing him to afford his strongest support to Mr. Eady in the latter's effort to arrange for this.

I am, &c.
LOUIS MALLET.

[27272] No. 380.

Minute by Mr. Parker.

I SAW Sir Henry Babington Smith this morning, in pursuance of the suggestion which was made to him in Sir L. Mallet's letter of the 13th June.

I said that Sir E. Grey had not yet read his letter of the 11th June about the future of the National Bank, and that the matter which I was to mention to him was that of discussions between him and Herr von Gwinner about the Bagdad Railway question, and the extent to which British capital could be interested in it, and on what conditions.

Sir Henry Babington Smith said that he was quite prepared to discuss the position tentatively and *ad referendum* with Herr von Gwinner, though he must explain to him that the discussion would in no way bind the National Bank, whose continuance as a Turkish institution was now very doubtful, and that the sole object of the discussion was to elicit the terms which Herr Gwinner was willing to give in order to attract British capitalists.

We agreed that, as Herr Gwinner leaves London to-morrow, it would be advisable for this interview to take place, with the object stated.

Sir Henry Babington Smith said that, having regard to the state which the Bagdad negotiations had reached, the National Bank were anxious not to leave us in the lurch by their decision to cease operations in Turkey, and therefore they would be quite prepared to negotiate with Dr. Gwinner, as proposed.

I gathered from him, though we did not discuss this point at any length, that

Lord Revelstoke and Sir E. Cassel were, so far as he could judge, definitely opposed to continuing banking operations in Turkey, but that they might possibly, though as to this he was very non-committal, continue if (*a*) Sir E. Grey desired it; (*b*) there was some form of financial control in Turkey; and (*c*) the Bank received in future the full confidence of His Majesty's Government.

Sir H. Babington Smith told me that he had told Herr Gwinner that the National Bank thought it certain that, in the absence of financial control, Turkey would collapse, and what, he asked, would then happen to the large foreign enterprises in Turkey. Herr Gwinner had replied that he thought there would then be spheres of influence, and that ours would be Mesopotamia up to Mosul, the German one from Eski-Shehr to Mosul, the Russian one the Black Sea basin, the French one Syria, and the Italian one Rhodes and a strip of the mainland.

I am sending in later the National Bank's letter of indictment.

June 14, 1913.

P.S.—I gathered that the National Bank, partly on account of their association with other firms, did not wish to abandon their claims in regard to Mesopotamian Oil, whatever may be the fate of the Bank itself.

A. P.

[27464] No. 381.

Minute by Mr. Parker.

SIR L. MALLET and I saw Hakki Pasha to-day.

The accompanying *projet de note*, to be signed by Sir E. Grey, was initialled *ad referendum*. At Hakki's request, the blank space was left, as he said he might wish to include something about the "temettu" tax, though it was pointed out to him that it would be very inconvenient to carry on collateral negotiations here.

The accompanying note about irrigation was handed to him, and he said he would refer the matter to Constantinople for instructions.

As to oil, he pointed out that the National Bank group had a double claim: they had inherited the indisputable rights of the Bagdad Railway Company under the convention of 1903 to mines and oil for a distance of 20 kilom. on either side of the line: if, say, 100 kilom. of the line passed through petroliferous districts, then it meant that the National Bank had a good claim to oil in 40,000 square kilom.

Then they had inherited the claims, which were, he knew, disputed, to oil in virtue of the agreement of 1904 made by the Anatolian Railway Company.

As against this, he contended, there was nothing but an oral undertaking, which should never have been given, as it was, *ultra vires*, incurred by Kiamil Pasha, who was an old man. That, he contended, was all that Messrs. D'Arcy and Greenway had to go on. We did not assent to this, though it is clear that the Turks consider the National Bank group have the best claim of the two, and that that part of their claim which rests on the convention of March 1903 is, of course, indisputable.

It seems absolutely necessary that the two groups should come to terms if there is to be a settlement.

Hakki Pasha said that Dr. Gwinner had asked him if there would be any objection to the Germans taking up 10 per cent. of the Turkish share of the new navigation company: Hakki had said that he would consider the point after consulting us. We told him that the Germans had proposed to us that they should stand out of the navigation on the Euphrates and Tigris.

It seems important not to let the Germans into the Turkish part of the undertaking, at all events until we know precisely whether the National Bank, as a Turkish institution, intends to continue operations in Turkey, and if it would like to come into the Turkish side of the Navigation Company.

We told Hakki Pasha that the Egyptian Government, who had been consulted, had no objection to the Turkish Government retaining the option to alter the veto on Egyptian borrowing powers by firman or declaration as they might deem most expedient: the Egyptian Government considered, however, that it would be more in accordance with precedent if it were done by firman.

A. P.

June 14, 1913.

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Enclosure 1 in No. 381.

Projet de Note.

Le Gouvernement de Sa Majesté britannique n'a pas manqué d'examiner avec attention les différentes demandes formulées par la Sublime Porte à certaines époques et, en dernier lieu, au cours des négociations qui eurent lieu à Londres, pour le règlement des questions pendantes entre les deux pays. Le soussigné, Principal Secrétaire d'Etat de Sa Majesté britannique pour les Affaires Etrangères, vient, par la présente, communiquer à l'Ambassade Impériale de Turquie les décisions auxquelles son Gouvernement s'est arrêté sur les cinq points formant l'objet de ces demandes :—

(i.) Le Gouvernement britannique donne son consentement à la nouvelle majoration proposée des droits d'entrée en Turquie, qui seront ainsi portés à 15 pour cent *ad valorem* sans limitation de temps. La nouvelle majoration ne pourra être appliquée aux marchandises anglaises que si elle l'est également à tous les produits étrangers, et elle n'entrera en vigueur que six mois après sa notification officielle.

(ii.) Le Gouvernement de Sa Majesté britannique déclare consentir à la conversion éventuelle des 15 pour cent *ad valorem* en un tarif de droits spécifiques aux conditions suivantes :—

(*a.*) Ledit tarif sera élaboré de commun accord.

(*b.*) Il n'entrera en vigueur qu'après un délai raisonnable, pas moins d'un an après sa promulgation.

(*c.*) Il ne pourra, non plus que les 15 pour cent *ad valorem*, être changé ou modifié sans qu'un accord intervienne à ce sujet entre les deux Gouvernements.

(iii.) [Addition to come here about "temettu."]

(iv.) Le Gouvernement de Sa Majesté britannique déclare qu'il n'a pas d'objection de principe à l'abolition de ses bureaux postaux en Turquie à la condition que cette mesure s'étende à tous les bureaux étrangers, et qu'il ait l'assurance que l'administration postale ottomane offre pour la transmission des correspondances les garanties requises de sécurité et de célérité. En attendant que l'abolition desdits bureaux puisse se réaliser, le Gouvernement de Sa Majesté britannique n'a pas d'objection à l'emploi, dans ses bureaux en Turquie, de timbres-poste ottomans. Cette mesure exigerait, cependant, l'établissement d'une surcharge et certaines réglementations d'ordre technique. Le Gouvernement de Sa Majesté britannique est donc prêt à entamer des négociations à ce sujet, si les autres Etats ayant des bureaux de poste en Turquie conviennent d'étudier ce changement de système.

(v.) En attendant l'introduction de réformes dans l'administration judiciaire ottomane, le Gouvernement de Sa Majesté britannique estime que le moment n'est pas venu d'envisager la suppression des capitulations. Toutefois, dans le cas où les autres Puissances se mettraient d'accord sur une telle procédure, le Gouvernement de Sa Majesté britannique serait prêt à désigner des représentants en vue de déterminer jusqu'à quel point le régime actuel des capitulations est susceptible d'amélioration.

Paraphé ad referendum,
Londres, le 13 *juin*, 1913.

I.H. L.M.

Enclosure 2 in No. 381.

Memorandum handed to Hakki Pasha, June 13, 1913.

AS the Imperial Ottoman Government are aware, British firms have manifested considerable interest in the question of irrigation in Mesopotamia.

In these circumstances, and in view of the abstention of His Majesty's Government from pressing for British control over any portion of the Bagdad Railway as far

as Basra, it would afford much satisfaction to His Majesty's Government if the Ottoman Government would grant to British firms concessions and contracts for more extensive works of irrigation, which could not fail to react favourably on the prosperity of the country.

Foreign Office, June 13, 1913.

[27282] No. 382.

Sir G. Lowther to Sir Edward Grey.—(*Received June* 15.)

(No. 280.)
(Telegraphic.) *Constantinople, June* 15, 1913.

MY telegram No. 263 of 5th June.

Following from consul at Basra to-day :—

"My telegram No. 43.

"Sheikh has received Sir E. Grey's message, and writes to say that he has already tried unofficial action, and is now working officially at their contracts through president of municipality at Amara, with whom he requests me to communicate if I am able to do anything more.

"I think no answer is required."

[27368] No. 383.

Sir G. Lowther to Sir Edward Grey.—(*Received June* 16.)

(No. 517.)
Sir, *Constantinople, June* 11, 1913.

WITH reference to my despatch No. 375 of the 30th April last, I have the honour to forward herewith a despatch from His Majesty's vice-consul at Mosul relative to disturbances in Kurdistan, as also a despatch from His Majesty's vice-consul at Van bearing on the same question.

I have, &c.
GERARD LOWTHER.

Enclosure 1 in No. 383.

Vice-Consul Hoag to Sir G. Lowther.

(No. 15.)
Sir, *Mosul, May* 21, 1913.

WITH reference to my despatches Nos. 8 and 11 and my telegram No. 10, I have the honour to report that some big raids have recently been made by Kurds on their Christian neighbours. It is very hard to get the real details.

Several thousand sheep belonging to one Kasha Yossuf, of Ashita, were stolen by the Heriki Kurds. I mentioned the matter to the vali, who informed me that they had been returned. As far as I can ascertain, however, only a few were returned, and these happened to be the property of a Kurdish aga of Amadia.

Then came alarming reports that huge numbers of sheep belonging to the Tkhuma Christians had been stolen and several men killed. The number of deaths reported varies from 12 to 125. The raid was unanimously attributed to the Sheikh of Barzan, who was said to have issued a fetwa that it was lawful to kill all Nestorians and take their property, because they had been intriguing with the Russians. I had some difficulty in believing this, as such an action would have been entirely inconsistent with the sheikh's usual methods.

It now appears that the real delinquents were again the Heriki, and that the Sheikh of Barzan, true to his policy of protecting the Christians, had recaptured the sheep and sent word to the men of Tkhuma to come and fetch them.

Mr. Macgillivray, of the Archbishop's mission, writes from Kudshanis :

"Everything seems to confirm your opinion that the report of an impending general massacre of Christians was, to say the least, a gross exaggeration. At the same time the Syrians do seem to be in considerable danger from smaller attacks in various places. I am bound to admit that this is to a great extent their own fault, and

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still more the fault of that miserable man Olferief [Russian vice-consul at Van?]. He so excited the Syrians with his promises that they have been talking very big and exasperating the Kurds."

As regards the telegram I sent for the American Embassy, it appears that one Omarki, an aga of the Rimman Kurds, with forty men attacked the station of the Liquorice Company at Gorge, near Diarbekir, wounded the clerk in charge, and stole £T. 400. The local kaimakam is said to be in league with them, and so far the Government do not seem to have taken any steps to recover the money. I think that Mr. Thomas is doing all he can, but when it comes to putting real pressure on the Government an Armenian dragoman is not much good. These Rimman Kurds are adherents of the Bederkhans, and I think that Dervish Aga (see my despatch No. 10) belongs to that tribe.

My German colleague informed me that on his way down by raft from Diarbekir, he stopped at Jezireh and saw Hassan Bey Bederkhanzader. Hassan Bey told him that he would be ready to rise in a month with 200,000 men, and that they had arms from Russia. I think my German colleague's Turkish must be weak.

I enclose a sketch map to illustrate my despatches on the Kurdish difficulty. It is not meant to convey that the Russians have any real hold on the districts in question, but merely that those districts are susceptible to Russian influence, and may be utilised by them in the future.

I have, &c.
HENRY C. HONY.

Enclosure 2 in No. 383.

Vice-Consul Molyneux-Seel to Sir G. Lowther.

(No. 14.)
Sir, *Van, May 26, 1913.*

I HAVE the honour to submit to your Excellency some further details of the disturbances in the Shattakh district.

From the village of Gajet 1,000 sheep, and from the villages of Khumur and Kinens 1,100 sheep, have been raided. Two Armenian shepherds, two gendarmes, a tax-collector, and a Kurd have been killed.

At Banijan, a village between Shattakh and Sert, all the sheep and cattle have been raided and five persons killed.

The son of Shekir Agha is said to have joined Mir Mehe and his band in these raids. The Government authorities therefore summoned Shekir Agha to Van to give an explanation of these incidents. The latter, however, has refused to comply with this summons, and collecting the whole of his tribe (150 families of the Gravian tribe) has taken refuge in the territory of the Mankhoran tribe, declaring that he no longer recognises Ottoman authority.

I have, &c.
L. MOLYNEUX-SEEL, *Captain.*

[27372] No. 384.

Sir G. Lowther to Sir Edward Grey.—(Received June 16.)

(No. 521.)
Sir, *Constantinople, June 12, 1913.*

I OBSERVE the copy of the contract between Dr. Zander and the Civil list for the eventual exploitation of the petroleum fields of Bagdad and Mosul, as communicated to Mr. Maxwell by Sir H. Babington Smith in his letter of the 23rd April last, presents a considerable number of variations from the version forwarded to your Department by Sir W. Townley in his despatch No. 837 of the 28th October, 1904. Sir H. Babington Smith's copy is, however, no doubt authentic, and I therefore think it worth while to call your attention to one variation in the text, which seems to me to make the case for the German claim even weaker than we have hitherto supposed. The variation in question occurs in article 1, where the "études préliminaires" which the railway company undertook to carry out are defined in the authentic document as "sondages et autres," a specification which did not appear in the version previously in

our possession. Now it is well known that the "études préliminaires" actually made by the company were of the most superficial character, and it is, moreover, obvious from the sum which they claim to have expended, which according to the late Grand Vizier was no more than £T. 17,000 in round figures, that nothing in the nature of boring on a scale adequate to allow of an opinion being formed of the potentialities of the two vilayets can have been attempted. The cost of carriage of the necessary machinery alone would have absorbed most of this amount. Thus an essential preliminary condition of the contract was unfulfilled, and I suggest that the failure of the company to carry out this obligation invalidates the whole contract including the right of preference provided by article 6. It would appear that it is less a question, as suggested in the memorandum attached to Sir H. Babington Smith's letter, whether the rights of the company have lapsed, than whether the rights to be acquired under the contract were ever established. If this view is correct—and it would seem to be the view held by the Turkish Government in 1909, and by the Department of Mines at the present time—the "protêt" lodged by the company in 1909 would seem to have no force. It would, however, be interesting to learn from Sir H. Babington Smith the exact circumstances which gave rise to this protest.

I have, &c.
GERARD LOWTHER.

[27307] No. 385.

Sir E. Goschen to Sir Edward Grey.—(Received June 16.)

(No. 219.)
Sir, *Berlin, June 12, 1913.*

I HAVE the honour to transmit herewith the reports for the year 1912 of the board of directors of (1) the Bagdad Railway Company; (2) the Anatolian Railway Company; (3) the Company of the Port of Haidar-Pasha; and (4) the Salonica-Monastir Railway Company.[a]

According to the report enclosed, the following sections of the Bagdad Railway were opened to traffic during the year:—

1. Dorak-Yenidje and Yenidje-Mamouré, 114·7 kilom.
2. Radjou-Aleppo and Aleppo-Djerablisse, 202·7 kilom.
3. The continuation as far as Karapounar of the Konieh-Oulouk ichla line, 53·5 kilom.

The total length of the railway on the 31st December, 1912, amounted to 608·7 kilom.

The gross receipts for the year amounted to £T. 76,180·39, or 1,738,327·07 fr., and exceeded the kilometric guarantee by 278,785·25 fr. There was a net profit for the year of 1,111,626 fr., and the company again pays a dividend of 5 per cent.

The length of the Anatolian Railways has remained stationary at 1,032 kilom. The total gross receipts amounted to £T. 828,978·49, or 18,840,420·22 fr., showing an increase of more than 24 per cent. over the receipts in 1911. As a result of the war, private traffic was at times at a standstill, while, on the other hand, the railway was much used as a means of transport for military purposes. For the first time the gross receipts exceeded the kilometric guarantee for the whole line, and therefore no guarantee had to be paid by the Government, which, indeed, receives 25 per cent. of the excess of the gross receipts over the kilometric guarantee. The profit on the working of the Anatolian Railway, including the balance carried over from 1911, amounts to 4,630,498 fr., and a total dividend of 5½ per cent. is paid.

The report on the port of Haidar-Pasha states that the gross receipts amounted to £T. 78,245·48, as against £T. 80,895·63 in 1911. The diminution is due to the two wars in which Turkey was engaged. The profit for the year amounted to 1,408,157·95 fr. Interest at the rate of 5 per cent. on the paid-up capital and a supplementary dividend of 3 per cent. were paid.

The length of the Salonica-Monastir Railway was the same as in the previous year, viz., 218·8 kilom. The gross receipts amounted to 19,537,684·43 gold piastres, or 4,440,382·81 fr., as against 3,577,779·05 fr. in 1911, and thus again exceeded the kilometric guarantee. On account of the war, private traffic was stopped in the last three months of the year and the railway was used for military purposes. The profits

[a] Not printed.

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amounted to 960,275·56; 5 per cent. interest on the paid-up preference share capital and a supplementary dividend of 1 per cent. were paid.

I have, &c.
W. E. GOSCHEN.

[27301] No. 386.

Circular Note from M. Sazonof.—(Communicated by Count Benckendorff, June 16, 1913.)

(Confidentielle.)

MR. O'BEIRNE m'a communiqué un aide-mémoire exposant le point de vue de Sir E. Grey sur la procédure des délibérations sur les réformes arméniennes. Selon Sir Edward, la Porte devrait être invitée à présenter un projet de réformes pour les provinces asiatiques—projet qui ferait l'objet de la délibération des Ambassadeurs. Ceux-ci se mettraient ensuite en contact avec le Gouvernement turc. J'ai répondu que ce plan ne me semblait pas pratique. Le projet qui servira de base aux délibérations—celui qui fut élaboré en 1895—est déjà connu par le Gouvernement turc. Quand les Puissances se seront entendues sur les modifications à y introduire et quand un accord se sera établi entre elles, il conviendra, bien entendu, de s'adresser à la Sublime Porte pour l'inviter à présenter ses observations et de prendre part aux délibérations. Nous sommes très loin de désirer porter atteinte au prestige et à l'autorité du Sultan. Loin de là, nous croyons que les réformes présentent le seul moyen pour consolider l'intégrité turque. Mais notre initiative empreinte d'un caractère tout amical envers la Turquie est provoquée par des circonstances qui réclament dans l'intérêt de la paix générale une solution la plus prompte possible. C'est dans ce sens que je me suis exprimé avec le Chargé d'Affaires britannique et aussi avec celui d'Autriche-Hongrie.

Saint-Pétersbourg, le 2 (15) *juin*, 1913.

[27654] No. 387.

Sir G. Louther to Sir Edward Grey.—(Received June 16.)

(No. 281.)
(Telegraphic.) *Constantinople, June* 16, 1913.

FOLLOWING from consular officer at Basra, No. 46, 16th June:—

"I am informed that military authorities have advised military authorities at Bagdad that they are sending fifty-seven soldiers with one officer to Katr by the Arab steamship 'Bedri,' 17th June.

"(Sent to embassy; repeated to Bagdad and Bushire.)"

[27301] No. 388.

Sir G. Buchanan to Sir Edward Grey.—(Received June 16.)

(No. 220.)
(Telegraphic.) *St. Petersburgh, June* 16, 1913.

I SPOKE to Minister for Foreign Affairs yesterday in the sense of your telegram No. 453 of 13th June, and left with him an *aide-mémoire*.

His Excellency said that he had already sent a circular telegram to Russian representatives abroad suggesting that Ambassadors at Constantinople should first draw up a scheme of reforms, and then place themselves in communication with the Porte. Position of Armenians was most serious, and it was necessary to convince them that the Powers were themselves taking reforms seriously in hand. Were your proposal acted on, they would believe that elaboration of reforms was being left to Turkey. He had, moreover, no confidence in Germany. She was annoyed at Russia having taken the initiative, and would probably declare that Turkish scheme was excellent and must be [group undecypherable]ed. There would then be a division amongst the Powers.

I pointed out that all you suggested was that Ambassadors should ask Turkey to communicate to them scheme she had drafted, so that they might examine it in connection with reform proposals which their respective Governments might put forward. This procedure did not bind them to adopt Turkish scheme, and I could not

see how anyone could take exception to it. Its rejection would not prevent German Government from advocating adoption of Turkish scheme, as the Porte was sure to communicate it to them even if Ambassadors did not ask for it.

His Excellency said he would think over the matter, and send me a written reply.

As regards eventual execution of reforms, Minister for Foreign Affairs quite shared your view that we must avoid dividing up the country into "secteurs," as was done in Macedonia. He remarked, however, that he did not want to have any Germans entrusted with control of reforms near the Russian frontier.

[27301] No. 389.

Sir Edward Grey to Sir G. Buchanan.

(No. 457.)
(Telegraphic.) *Foreign Office, June* 16, 1913.

YOUR telegram No. 220 of 15th June.

From a communication that Russian Ambassador has received from Minister for Foreign Affairs it appears that Minister for Foreign Affairs thinks I am suggesting that Porte should be invited to draft a scheme of reform as basis for Ambassadors to work upon.

What I really suggest is that Ambassadors should inform Porte that they are setting to work on basis of 1895 scheme, and that if Porte desires the scheme, which it is understood Porte has already drafted, to be considered in connection with 1895 scheme, Porte should communicate it to Ambassadors at once. There is no loss of time in this procedure; Ambassadors could begin work, and if Porte did not communicate its scheme at once it would not be considered.

If Germany desired to use Turkish scheme as an alternative to defeat Russian proposals, she could do so more effectively if the scheme was put forward later by Turkey as an independent alternative than if it was taken into consideration by Ambassadors *ab initio*. Ambassadors could, if it was desired, rule out such portions as were not consistent with taking 1895 proposals as basis of discussion.

[24937] No. 390.

Sir Edward Grey to Sir G. Louther.

(No. 193.)
Sir, *Foreign Office, June* 16, 1913.

I HAVE received your Excellency's despatch No. 467 of the 26th ultimo, reporting the dismissal of, or rumoured intention to dismiss, certain competent officials in the vilayet of Adana.

I should be glad to learn whether, in your Excellency's opinion, any useful purpose would be served by a discussion of this matter with the Turkish Government, in view of the unsatisfactory impression produced by the dismissal of such officials.

I am, &c.
E. GREY.

[24935] No. 391.

Sir Edward Grey to Sir F. Bertie.

(No. 373.)
Sir, *Foreign Office, June* 16, 1913.

I TRANSMIT herewith to your Excellency copy of a despatch from His Majesty's Ambassador at Constantinople,* respecting a circular addressed by General Ameglio to the Consular Body in Rhodes, informing them that the Italian authorities cannot admit the presence of a Consular dragoman in cases before the military tribunals where foreign subjects may be implicated. In this matter it would seem that the Capitulations are brought into question.

In the view of His Majesty's Government, General Ameglio's claim is not admissible, since the Italian authorities are now, in theory and in fact, only acting as

* No. 274.

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caretakers on behalf of Turkey; and the views expressed in paragraphs 3 and 4 of Sir G. Lowther's despatch of the 24th May appear, therefore, to be perfectly correct.

Before, however, sending any instructions to Sir R. Rodd in this sense, I should be glad to learn whether the French Government have received similar information, whether their views accord with those of His Majesty's Government, and whether, in that event, the French Ambassador at Rome will receive instructions similar to those which I would propose to send to Sir R. Rodd.

I am, &c.
E. GREY.

[25929] No. 392.

Sir Edward Grey to Sir G. Buchanan.

(No. 221.)

Sir, *Foreign Office, June 16, 1913.*

WITH reference to your telegram No. 210 of the 11th June, relative to the employment of British officers to command the gendarmerie in the seven vilayets of Eastern and North-Eastern Anatolia, I transmit to your Excellency herewith copies of further correspondence on the subject.*

Your Excellency should inform the Russian Minister for Foreign Affairs of the reply which has been returned to the request of the Turkish Government, and of the action which I have taken in the matter, taking care to emphasise the fact that these appointments are to be regarded as provisional, and made pending the introduction of a complete scheme of reforms into the Turkish Empire.

I am, &c.
E. GREY.

[25929] No. 393.

Foreign Office to War Office.†

Sir, *Foreign Office, June 16, 1913.*

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copies of correspondence relative to a request made by the Turkish Government to His Majesty's Government for the loan of the services of British officers, both military and civil, to assist in the application of administrative reforms in Asiatic Turkey.

It will be observed that for reasons of general policy Sir E. Grey has thought it better to limit compliance with this request to the loan of British officers to undertake the command of the gendarmerie in the seven vilayets of Eastern and North-Eastern Anatolia, pending the introduction of a complete scheme of reforms into the Ottoman Empire as a whole.

I am to state that Sir E. Grey would be grateful if your department would place themselves in communication with the India Office, to whom a letter similar to this has been addressed, with a view to the selection from the British and Indian armies of seven officers suitable for these posts.

In view of the fact that the Turkish Government, in making their request, have left His Majesty's Government a free hand as to the amount of the salary which these officers should receive, and the conditions of their service, Sir E. Grey would be glad to receive any suggestions which the Army Council may wish to make on these points, due regard being had to the arduous and responsible character of the duties attached to these posts.

I am, &c.
LOUIS MALLET.

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* Nos. 326 and 393.

† Also to India Office, *mutatis mutandis*.

[27725] No. 394.

Board of Trade to Euphrates and Tigris Steam Navigation Company.—(Communicated by Board of Trade June 17, 1913.)

Sir, *Board of Trade, June 14, 1913.*

I AM directed by the Board of Trade to inform you that your letter of the 9th June, relative to certain proposed arrangements with respect to the navigation of the Euphrates and Tigris Rivers, and the enclosure therein, have now been carefully considered by the Board, and they desire me to offer the following observations thereon:—

1. As you are aware, the efforts of the Board of Trade have been directed to giving effect to the undertaking of His Majesty's Government, embodied in a memorandum handed to Mr. Lynch at the Foreign Office on the 19th May, viz., that under certain conditions mentioned therein they would use their good offices to secure that certain financial and working arrangements specified in the memorandum should be made by the new company for the protection of the interests of the Euphrates and Tigris Steam Navigation Company.

2. The Board understood that it was the desire of Mr. Lynch that a representative of your company should be placed in communication with the Board of Trade with a view of putting them in possession of the views of the company as to the best mode of giving effect to this memorandum before communicating with the concessionnaire. Accordingly, an interview took place at the Board between yourself and representatives of the Department, a record of which was duly submitted to and revised by you, and was afterwards discussed between representatives of the Board of Trade and Lord Inchcape. The Board gather from your letter under reply that your company take exception to this step, which I need hardly say was taken in the interests of all concerned. The Board, however, are at a loss to understand what other course could have been adopted by them with any prospect of making progress towards a mutually satisfactory arrangement.

3. As a result the Board of Trade handed to your company a note embodying in outline Lord Inchcape's proposals for giving effect to the undertaking of His Majesty's Government. These suggestions included proposals as to the share of capital to be allotted to your company and the basis of a working agreement between the two companies, an offer to discuss with Mr. Lynch the question of any payment to be made under paragraph 4 of the Foreign Office memorandum, and a refusal to agree to an arrangement for joint local management.

On this the Board of Trade recommended Mr. Lynch, as representing your company, to enter into direct communication with Lord Inchcape, considering that matters had reached a stage at which a direct interchange of views presented the only prospect of making further advance towards an arrangement.

4. The Board, however, understand that you have not yet adopted the course suggested, and they also understand from your letter of the 11th June that your company prefer that the enclosure to your letter should not at this stage be handed to Lord Inchcape.

In the circumstances, the Board can only observe that the scheme embodied in the enclosure to your letter adheres substantially to the proposal for joint local management already rejected by Lord Inchcape, and asks for half the British share of the directorate of the new company. The Board consider that in these two respects your proposals go beyond the scope of the Foreign Office memorandum of the 19th May, and they do not see their way to put any pressure on Lord Inchcape with regard to these points, though they will be interested to learn the result of any direct discussion between your company and the concessionaire on these points.

5. Your scheme also makes a definite proposal as to participation in the capital of the new undertaking, and as to the basis of a working agreement for the apportionment of traffic and the machinery for giving effect to such agreement. It also contains certain other proposals, including proposed provisions for preventing either company from acquiring the control of the other. All these are matters which appear to the Board to be susceptible of a reasonable adjustment (not, of course, necessarily on the lines of the proposals submitted by you) by direct communication between the parties, and they still think that such direct communication ought to take place. I need hardly add that the good offices of the Board are always at the disposal of the parties should they desire to avail themselves of them.

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6. The Board have not failed to note the statement in your letter implying that the demands contained in the enclosure represent the irreducible minimum requirements of your company. They hope, however, that this is not to be taken literally, as in that event they fear that no useful purpose would be served by continuing the discussion, and they could only report to the Secretary of State for Foreign Affairs that, owing to the nature and extent of the demands put forward by your company, they have not been successful in promoting an arrangement on the lines of the undertaking given by His Majesty's Government. It would then be for the Secretary of State to decide what further steps should be taken in the circumstances. The Board, however, trust that it may not be necessary to take this course.

I am, &c.

[27747]

No. 395.

India Office to Foreign Office.—(Received June 17.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of enclosures in a letter from the Foreign Secretary to the Government of India, dated the 29th May, 1913, relative to Koweit negotiations.

India Office, June 16, 1913.

Enclosure 1 in No. 395.

Lieutenant-Colonel Sir P. Cox to Government of India.

(Confidential.)

Bushire, May 11, 1913.

IN amplification of my telegram of the 10th instant, in connection with Koweit negotiations, I have the honour to forward, for the information of the Government of India, a copy of the political agent's report (with accompanying map*) on which it was based.

No further comment on it seems called for at this stage.

Enclosure 2 in No. 395.

Captain Shakespear to Lieutenant-Colonel Sir P. Cox.

(Confidential.)

Koweit, April 30, 1913.

I HAVE the honour to invite a reference to the correspondence regarding the Anglo-Turkish negotiations relating to the status of Koweit, ending with the Government of India telegram in the Foreign Department, dated the 15th April, 1913.

2. You are aware that I returned to head-quarters on the 21st April to find Sheikh Sir Mubarak-as-Subah dangerously ill. He is now recovering slowly, but I have not found it possible up to date to say more on the subject than to state that his letter and enclosure to your address had been forwarded to the Government, that as the conclusion of the war was in sight it was hoped negotiations would soon be actively taken up, and that you have asked Government to keep you informed as to their course; also that I did not consider paragraphs appearing in the Basra papers could give reliable information of matters which were the subject of confidential negotiations between the British and Turkish Governments, and on which we had not yet received a pronouncement from Government.

3. On one occasion, when I visited the sheikh before I had received copies of Foreign Office print dated the 26th March, your telegram of the 3rd April, and Foreign Department telegram referred to above, the sheikh mentioned that he had received news from Basra to the effect that the British and Turkish Governments had agreed upon Koweit autonomy, and that he was perfectly satisfied, for all his claims had been recognised. The sheikh's condition then being serious, I said no more than that I doubted the authenticity of his information, or that the Porte could

* Not reproduced.

have receded so completely from a position which some time ago I knew showed a wide divergence from his claims. A few days later I obtained a copy of the "Dastur" (published in Basra), which contained a paragraph in its issue of the 12th Jamadi-al-Awal, 1331 (16th April, 1913), practically identical with what the sheikh had told me. I attach, for information, a rough translation of the paragraph, which, I may add, was also received with as much satisfaction by the Koweit public as the sheikh. It will be obvious, however, that this satisfaction is based on a vastly different conception of Koweit autonomy from that disclosed in the draft agreement of the Foreign Office print of the 26th March. I shall, however, take the first opportunity made possible by the sheikh's improvement in health to prepare him for the fact that he must expect a considerable alteration in his present view of the position.

4. Meanwhile, I venture to submit, for consideration, the following points, trusting that even now it may not be too late to obtain better terms for the sheikh:—

As a result of my recent tour, I have been able to lay down with some accuracy the position of wells and other features to the south-west of Koweit by which the sheikh's southern boundary is determined. The sheikh claims to include the Al-Gara'a and Al-Haba wells, and all the information I have been able to collect points to the fact that his claim is justly founded. I have attached herewith the confidential "Map of the Koweit Hinterland," with the doubtful portion in the south corrected from my latest tours, and would invite a comparison with the same map uncorrected in your office as likely to be useful. By far the strongest argument in support of the sheikh's claim, however, is the actual situation of the wells themselves. Taking the Al-Haba wells as a centre, and striking a semi-circle of 90 miles radius from east round by south to west, discloses the fact that in the whole of the intervening country there is not a single well, and that the nearest wells to the southward lie on this semi-circle, viz., those of Awaina, on the east, situate 27 miles south of Anta'a, next those of Hafar-al-Ats, almost due south from Al-Haba, and those of Gaiyiya (at 105 miles), south-west of Al-Haba. It may be taken for granted that nomad Arabs recognise authority in the desert according to wells, and never in all my tours have I heard it suggested that the wells of Hafar, As-Safa, Al-Gara'a, and Al-Haba (all along the sheikh's southern boundary) were not in Koweit territory and jurisdiction. How I came to omit the Al-Haba wells from my previous report, dated the 12th August, 1912, I cannot now understand. I have marked in blue pencil what is undoubtedly the actual boundary on the attached corrected map. As I have traversed personally the whole of this district, obtained my information from Bedouin camping actually on the spot, and myself produced what map there is of the tract, I claim that my opinion is entitled at least to as much weight as the assertions of the Turkish Government, which has no real or first-hand knowledge of the area, facts, or conditions as they actually exist.

5. While I am fully aware that an agreement with Turkey regarding Koweit can be reached only by compromise, I venture to submit with all deference that it is worth while, in our own interests, to consider how any compromise is likely to be regarded by the ruler of Koweit and his people, and its probable effect on our relations. It must be recollected that the sheikh has not been informed of the course of the negotiations, nor of the Turkish demands, nor of our suggestions or concessions thereto—he has left his case in our hands, with the expectation that we will at least see his just demands satisfied. Consequently, we shall have to bear the odium and any resentment resulting from such disappointment as may follow from the agreement falling short of the sheikh's expectations. I have shown in previous reports and above what can fairly be considered Koweit boundaries, and now propose to state what I feel convinced would be the really genuine objections the sheikh would advance to the draft agreement on the Foreign Office print dated the 26th March, if it were communicated to him.

6. Taking the draft agreement by articles *seriatim*—

(*a.*) Article 1 may be passed by as without objection.

(*b.*) In article 2 the objection is that the title of kaimakam is a very inferior one and connotes that Koweit territory is merely a "qadha." An almost exact parallel would be furnished by calling the sheikh a deputy-commissioner or collector under the Indian Government and his territory a "district." When it is added that a Turkish kaimakam's annual salary amounts to 135*l.* to 270*l.* only, and the position indicated thereby is contrasted with the fact that the sheikh has hitherto enjoyed almost complete independence, been accorded a salute of twelve guns by British men-of-war and always been addressed officially as "Ruler of Koweit," the depreciation of his position under the draft agreement may be realised in some measures. Further, though Turkish

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officials address him as Kaimakam and add the title of pasha, the sheikh himself does not acknowledge the style, and invariably describes himself as "Ruler of Koweit and Chief of its Tribes." I venture to think that we should stipulate for Koweit to be described at least as a sanjak and its ruler as a mutesarrif, of which the Indian equivalents would be a division and a commissioner. The question of the continuance of a salute to the sheikh would also seem to be involved in our recognition of whatever Turkish title or rank may be selected.

(*c.*) Article 3 defines complete autonomy sufficiently clear.

(*d.*) Article 4 permits the appointment of a Turkish agent, and has the most serious objections. The sheikh has not dreamt of such a possibility, and, I am sure, would object most strongly to the idea. He could doubtless be compelled to receive one, but the pressure would have to be applied through, with the consent of, or perhaps even directly by, the British Government. The effect on our relations with, and our interests in, Koweit of forcing the representative of an undesired Power upon an unwilling ruler and people may be easily imagined. There is further to be reckoned with the inevitable and recurrent intrigues which will result from the residence of a Turkish official in Koweit. My own opinion is that the Turkish agent, if permitted, will either be regarded as a spy by the ruling sheikh of the time or be utilised by him in intrigues and efforts to play off the Turkish and British Governments against each other for his own ends.

(*e.*) Articles 5, 6, and 7 require to be considered together with the map. In the first place, the division of his territory into two portions, over which he and the Turkish Government will have authority different in degree and kind, will be unintelligible to the sheikh, and will, moreover, lead to constant friction, for the inner segment defined in article 5 has no naturally-definable boundary, and is a paper arrangement which the sheikh will be unable to maintain in the exercise of his authority throughout the whole of the two portions over which at present it is identical in character. Secondly, the suggested difference will furnish the Bedouin tribes subject to the sheikh and the Turkish authorities with endless opportunities for petty intrigues and friction, particularly if permission for a Turkish agent, as suggested in article 4, is accorded. Assuming the best intentions on the part of the Turkish Government and its officials, intrigue remains as the breath of life to Bedouin, and the suggested division of his territory will undoubtedly hamper the Ruler of Koweit in his dealings with the tribes. I would suggest that the sheikh's complete autonomy as defined in article 3 should extend to the limits described in article 7, modified so far as may be considered possible by the information I have given above in paragraph 4. The alternative southern boundary given in a starred foot-note to article 7 is useless from the sheikh's point of view for reasons already given in paragraph 4 above, and, moreover, is not desired by him. In this connection it would seem desirable that the evacuation of the Turkish posts on Bubian Island and Um Kasr should be ensured either by the present agreement, or, if preferred, separately if that at Safwan is allowed to remain. It will be clear from reports ever since the occupation of these posts in 1902 that the sheikh would have taken measures to eject the Turks but for being restrained by British assurances that we had not lost sight of the matter. The stipulations in article 6 prohibiting Turkey from stationing garrisons or taking military or naval action within Koweit boundaries should be maintained.

(*f.*) Article 8 requires no comment.

(*g.*) Article 9 requires no comment beyond that I believe the sheikh has already succeeded in obtaining legal recognition for his landed properties in that permission is said to have been granted for their registration in his own name without the formality of taking out a Turkish "nafus tazkireh."

(*h.*) Article 10 would, I am certain, be most strongly opposed by the sheikh for the reasons given in Residency telegram dated the 28th March, 1913. If some such clause is strongly pressed for, it might be worded so as to permit the passage of Turkish troops to Nejd by no route nearer to Koweit than the caravan road passing along the western boundary from Basra by the Batin depression to Hafar wells.

7. Though the foregoing may be said to be largely destructive criticism of the draft agreement, I have endeavoured to show how that agreement may be made somewhat less unpalatable to the sheikh. Unpalatable it will be and will remain for years, even with the emendations I have suggested, but it seems to me that in treating with the Turkish Government we have hardly given the sheikh's irrefutable rights the consideration due to them, for his claim has throughout been founded on a just

minimum of existing facts which we have been at some pains to investigate ourselves, whilst in our desire to meet the Porte, we have shown a benevolent sympathy to their vague, extravagant, and nebulous claims, unsupported as they are by any real evidence, which they do not merit. That we may obtain a *quid pro quo* elsewhere does not affect Koweit, for the sheikh will judge the agreement as it touches himself and his people, and inasmuch as he has left his whole case unreservedly in our hands, he will be the more inclined to resent any serious diminution of his territory, prestige, rights, or privileges. The whole force of such resentment will certainly recoil upon us, more especially were the idea to obtain that we had benefited in some other sphere, and it is because I feel so strongly that the advent of any bitterness in our very cordial relations with the Ruler of Koweit should be avoided as far as may be possible that I have ventured to submit the above paragraphs for consideration. Sheikh Mubarak has been far more loyal and straightforward in his dealings with us than we could have anticipated from an oriental chief of so little education, and therefore merits the most benevolent consideration of his claims at our hands, more particularly when we are negotiating regarding them practically without consulting him, the party most interested.

Enclosure 3 in No. 395.

Rough Translation of an Article appearing in Arabic Newspaper "Al-Dastur," published in Basra, dated the 12th Jamadi-al-Awal, 1331 (*April* 16, 1913).

Koweit.

EXTRACT copied by the Turkish paper "Sabah" from the "Jeune Turc," the organ of the Committee of Union and Progress—

That the Turkish and British Governments are prepared to conclude an agreement between themselves upon the placing of Koweit, which is in the Persian Gulf alone (*i.e.*, autonomous). And the English (Government) by their quality as an Islamic Power are addressing the Turkish Government on the safeguarding of their legal interests, but this proposal will not affect at all the *status quo* between them and other Powers in Eastern questions. In exchange for this Great Britain will be reassured in her moderate penetration (*i.e.*, objects) in the Persian Gulf upon the results of the agreement as to the autonomy of Koweit, and the "Jeune Turc" says that if the question of Koweit is settled in this manner there will be good results to British communities, and also it will be profitable to the Turkish Government.

[27776] No. 396.

India Office to Foreign Office.—(*Received June* 17.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs and forwards herewith, for the information of the Secretary of State, copy of enclosures in a letter from the Foreign Secretary to the Government of India, dated the 29th May, 1913, relative to the buoying of the Shatt-el-Arab.

India Office, June 16, 1913.

Enclosure 1 in No. 396.

Lieutenant-Colonel Sir P. Cox to Government of India.

Bushire, March 23, 1913.

IN continuation of my letter dated the 9th February, 1913, I have the honour to enclose, for the information of the Government of India, copies in original of further old correspondence regarding the buoying of the Shatt-el-Arab which I have received from the political resident in Turkish Arabia, Bagdad, who informs me that the above are all the papers on the subject which he has been able to trace, the vizirial letter, unfortunately, not being forthcoming.

2. I beg that I may be favoured with printed copies as usual.

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Enclosure 2 in No. 396.

Consul-General Kemball to Governor-General, Bagdad.

Bagdad, October 4, 1861.

YOUR Excellency is apprised of the difficult navigation of the mouth of the Shatt-el-Arab and the dangers therefore which vessels generally, though furnished with pilots and particularly large vessels, incur in attempting to cross the bar. On one or two occasions the Commodore commanding the British squadron in the Persian Gulf has endeavoured to alleviate the evil by placing buoys to mark the channel, but owing to the want of proper care and attention or owing, perhaps, to the acts of mischievous persons the buoys in question have been lost or have disappeared.

The frequent and almost unavoidable grounding of vessels in consequence between the entrance to the river and the dry banks off Fao having attracted the attention of the Bombay Government I have been instructed to impress upon your Excellency the necessity of renewing the said buoys as well with a view of securing vessels from the risks and probable injury of grounding in bad weather as of saving time in making the passage to Basra, and to invite your Excellency to make arrangements for their effectual protection in future. I have the honour accordingly to bring the subject to your Excellency's notice and to suggest that instructions should be issued to the Turkish administration and naval authorities at Basra to afford their best aid and co-operation in a matter of such serious importance to the commerce of both Turkey and England in the Persian Gulf.

Enclosure 3 in No. 396.

Consul-General Kemball to Governor-General, Bagdad.

Bagdad, April 4, 1862.

ADVERTING to my letter to your predecessor under date 4th October, 1861, I have the honour to submit to your Excellency an Amer-nameh which has reached me on the subject of buoying the channel leading from the sea to the Shatt-el-Arab.

Enclosure 4 in No. 396.

Consul-General Kemball to Governor-General, Bagdad.

Bagdad, June 11, 1862.

IN reply to your Excellency's letter dated 9th Zilhaj, I have the honour to express my acknowledgments to your Excellency for your ready co-operation in the arrangements proposed for buoying the channel leading from the sea to the Shatt-el-Arab. Your Excellency will find, however, on reference to my letters that your Excellency is in error in supposing that I specified six buoys, or any number of buoys, as being requisite for the purpose, nor am I in a position now to submit to your Excellency any definite proposition on this subject seeing that I am, myself, ignorant of the number of buoys required. Under these circumstances, and believing that the four buoys alluded to by Muneeb Pasha are in fact new ones not long since placed on the banks by His Majesty's squadron in the Persian Gulf, I propose to transmit a copy of your Excellency's letter under acknowledgment to the British Resident at Bushire with a view to his consulting the naval officers on the spot and to his acquainting me for your Excellency's information, as well with the steps which have been taken, as with the necessity or otherwise for those which your Excellency has proposed.

Should your Excellency desire it after the lapse of the hot months I will request the Commander of H.M.S. "Comet" to associate himself with the Turkish naval authorities for the purpose of examining and reporting upon the state of the buoys.

Enclosure 5 in No. 396.

Consul-General Kemball to Governor-General, Bagdad.

Bagdad, August 5, 1862.

I HAVE the honour to submit to your Excellency a skeleton chart of the channel leading to the Shatt-el-Arab which I have just received from the British Resident in the Persian Gulf. It seems to be the opinion of the British naval officers that the buoys now placed, four in number, are sufficient and that they require merely to be represented of a red colour. After the hot weather the Resident at Bushire will detach a vessel to Basra for the purpose of substituting for the anchors by which the buoys are now held, certain old guns now lying at Maghill, and notice of her coming will be duly given to Muneeb Pasha, Governor of Basra, with a view to his deputing a Turkish officer, if your Excellency should think proper, to be associated with the commander of the said vessel on this duty.

Enclosure 6 in No. 396.

Governor-General, Bagdad, to Consul-General Kemball.

(Translation.) 9*th Zilhaj*, 1278.

IN conformity with your suggestion for the maintenance and repair of six buoys to mark the channel leading to the river at Basra for the convenience of navigation Muneeb Pasha was instructed to repair those that might require repair and to add as many others as might be requisite. The said Pasha in reply writes to me by this opportunity that the four buoys at present existing are not in need of repair further than that the paint being worn off they must be repainted but that two additional buoys must be made for which anchors are required. The said anchors (he adds) are forthcoming in the Basra dockyard and the requisite chain cable can be manufactured there, yet as the cause of the destruction of buoys is owing to the crews of boats coveting and stealing the anchors, he considers it the safest course to sink some of the old unserviceable guns now available at Basra in lieu of anchors as, however, sheet iron is not procurable at Basra wherewith to make the necessary buoys nor are the artificers there competent to make them. Muneeb Pasha proposes that the said buoys should be made at the Bagdad foundry and forwarded to Basra where the chains and guns and other materials will be supplied for the purpose of placing them at the requisite spots. In consequence of this communication the necessary steps are now being taken here.

Enclosure 7 in No. 396.

Consul-General Kemball to Government of India.

Bagdad, October 5, 1861.

I HAVE the honour to state for the information of his Excellency the Honourable the Governor in Council that in conformity with the instructions conveyed in your despatch dated 25th June last (received by me on the 25th ultimo) I have placed myself in communication with the authorities at Bagdad and Basra—the Governor of the latter place being now here—regarding the proposal to buoy off the bar and channel of the Shatt-el-Arab between the entrance to the river and the dry banks off Fao, and have received from them satisfactory assurances of their willingness to co-operate in this measure. I think it right, however, to add my opinion that its efficiency and success in every particular must depend upon our own exertions. The little real control exercised in this quarter by Ottoman Governors as well as the limited tenure of their office (the plans and policy of the present incumbent being too often ignored and subverted by his successor), and the absence of any river police, or even of an effective Turkish vessel in the Lower Euphrates must render the action of these officers in such cases nugatory if not undesirable, and though as a matter of form I purpose to solicit His Majesty's Ambassador at the Porte to procure a vizirial letter confirming their responsibility I believe that the supply of the buoys in question, their transport to the sites indicated and the arrangements necessary to their preservation in future must be undertaken by ourselves. In the last respect, it must be sufficient

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perhaps that the commanders of all vessels of war visiting Basra should be directed to examine and report upon the state of the buoys, a standing order to this effect being also included in the sailing instructions of the commander of the schooner "Georgiana" which vessel is now monthly engaged in conveying packets between Basra and Bushire, and as an additional precaution in the event of the temporary withdrawal of the "Georgiana" I would avail myself of every favourable opportunity to depute the "Comet" to the bar of the river for the purpose stated.

On former occasions that buoys have been placed to mark the channel leading to the Shatt-el-Arab I understand that their disappearance has been attributed to the ill-will of the pilots located on the island of Kharag, whose means of subsistence seemed to be threatened thereby, but so desirable in every point of view must still, I conceive, be the maintenance of an efficient body of pilots that I presume no intention to exist of superseding their employment in the case of British vessels, and a notice to that effect would doubtless reconcile them to the intended arrangements.

With respect to the last paragraph of Lieutenant Chitty's letter I incline to think that some account should be made of the shifting of banks during an interval of four years, the buoys referred to having been placed during the Persian war, and that contingencies of this nature must at least be worthy of attention hereafter.

In intimating that this despatch will be forwarded under flying seal to the Resident in the Persian Gulf,

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[27803] No. 397.

Sir H. Babington Smith to Sir L. Mallet.—(Received June 17.)

National Bank of Turkey,
50, Cornhill, London, June 16, 1913.

My dear Mallet,

I HAVE to thank you for your letter of the 13th June. I will await the further and more detailed letter which you mention before saying anything more on the various points.

I saw Mr. Parker on Saturday, and afterwards M. von Gwinner. I enclose a memorandum of my conversation with him. It relates largely to financial details, with which, in ordinary circumstances, is would be unnecessary to trouble you. I think, however, it is better as matters stand at present to keep you informed of all that passed.

Yours sincerely,
H. BABINGTON SMITH.

Enclosure in No. 397.

Memorandum of Interview with M. von Gwinner, June 14, 1913.

I TOLD M. von Gwinner that the Foreign Office had expressed a wish that I should enter into negotiation with him with regard to the arrangements for a British representation in the Bagdad Railway, and other kindred matters. I was unable actually to negotiate, because circumstances had rendered it improbable that the National Bank of Turkey or the group connected with it would be prepared to take the matter up. It might, however, help on matters if M. von Gwinner would explain what he proposed, and I should be happy to discuss the proposals so far as was possible in the circumstances I had stated. If the National Bank did not proceed with the matter, any other arrangements that the Foreign Office might contemplate would probably be facilitated by such a discussion.

M. von Gwinner then explained the position. The Bagdad Railway Company has a capital of about 600,000*l*. Of this, one-half subscribed in cash by the shareholders, the other 50 per cent. being paid up, on their behalf, out of the profits on the construction of the first section of the railway. The money thus remained in the treasury of the company, the shareholders getting their benefit in shares, not in cash. It was proposed now to increase the capital from 600,000*l*. to 900,000*l*. His suggestion was that a British group coming in now should take 10 per cent. of the total capital (90,000*l*.) to be paid for in cash at par.

I pointed out that subscribers on this basis would pay for the shares at their full nominal value, while the original shareholders had paid only one-half of that value. M. von Gwinner justified this, on the ground that persons entering now could not

equitably claim to benefit from profits realised before they had taken any risk in the matter.

The construction of the line, he explained, is carried out by a construction company with a capital of 200,000*l*. This construction company carries out the work for the Bagdad Company at actual cost, plus 10 per cent. for profit, and certain small percentages to the director of the work, &c. The group subscribing to the Bagdad Company would take a proportionate share in the construction company. This share would not be exactly 10 per cent., since the contracting firm, Messrs. Holzmann, have an interest of 25 per cent. in the construction company, and the Ottoman Government, which holds 10 per cent. of the capital of the Bagdad Company, has no share in the construction company. No profits had yet been distributed to the shareholders of the construction company. The profits realised had been temporarily advanced for carrying on the works, since it had been impracticable during the recent critical period to turn the Government bonds into cash. The new entrants into the construction company would not be entitled to participate in profits realised before the date of their entrance.

The new shareholders in the Bagdad Company would also be expected to take a proportionate share in the syndicate for realising the Government bonds. Owing to recent events, the bonds of the third series, amounting to 5,236,000*l*., had not yet been issued, and the syndicate were under engagement to take these over at the price of 82. Money had been advanced, in the meantime, out of the reserves of the Bagdad Company and out of the profits of the construction company. These sums would have to be repaid when the bonds were issued. The syndicate would be expected to deal with the bonds of future series, but no engagement had at present been taken on that subject.

I pointed out that, owing to recent events in Turkey, the responsibility for taking over the bonds had become a very onerous one. A group entering now would, according to his proposal, be expected to take their full share of this responsibility, while as regards possible profits from the construction and working of the railway, they would be only half as well off as the original subscribers. Moreover, they were expected to share the responsibility for placing the whole of the third series of bonds, whereas the proceeds would be applied in part to repaying advances for construction, in the profits of which the new subscriber was not to share. *Primâ facie*, the prospect did not appear an attractive one, especially as the price at which the bonds had to be taken over, viz., 82, was an impossible one under present circumstances.

M. von Gwinner was inclined to think that some arrangement might have to be made for allowing the new entrants to share in any profits of construction ultimately paid for out of the proceeds of bonds which they helped to place.

He defended the other inequality on the ground that a new entrant had no claim to share in profits already realised. I pointed out, however, that those profits arose from the fact that the first section happened to be an easy one, and also, that the cost of construction at that time was low. It had always, I understood, been intended that these profits would provide for the more expensive sections and for possible increase in cost of labour or materials.

I suggested that if British capital joined, some of the construction ought to be done by British agency or with British materials. M. von Gwinner explained that, as regards contractors, the only profit of Messrs. Holzmann arose from their share in the construction company, and that, as regards materials, they had always been ready to buy in the cheapest market. They had bought rails in Belgium, and even in Russia.

I then mentioned the question of the ports of Basra and Bagdad. M. von Gwinner said that he proposed that a British group should take a share of 40 per cent. in the company to be formed for constructing and working the port of Basra. This, he understood, would be dealt with by Lord Incheape in connection with the navigation company, and he believed that Lord Incheape was quite content with 40 per cent.

I said that I understood the question of the ports included Bagdad as well as Basra. The Bagdad Railway concession permitted the railway company to construct wharves, warehouses, and other installations for a port on the Tigris at Bagdad, but gave them no monopoly. Similar arrangements would no doubt be required for the navigation. There would be obvious economy in joining forces. The port arrangements at Bagdad appeared to me to be of greater importance to the navigation enterprise than the port arrangements at Basra, since Bagdad would be their terminus, and the arrangements for warehousing goods there, and also for transhipment between rail and river in both directions, were matters which might be of very great importance

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to them. If the railway had control of these arrangements, they might clearly be worked to the advantage of the railway and to the detriment of the navigation.

M. von Gwinner admitted that this might be a matter of interest to the navigation, but said that he had not understood from the Foreign Office that this question was raised on behalf of that enterprise.

I said that if the ports were to be worked jointly for the common interest, it appeared to me that the division should be half-and-half, and not 60 per cent. and 40 per cent.

M. von Gwinner took note of what I said on this point, but we agreed that, as I could not negotiate for an actual understanding, we could not carry the matter further.

M. von Gwinner mentioned that the port arrangements at Basra would probably cost some 300,000*l*. He did not give any estimate of the cost of the arrangements at Bagdad.

He mentioned also that the Bagdad Company is at present endeavouring to obtain an alteration in the conditions relating to the Government bonds, either an increase of the interest from 4 per cent. to 4½ per cent., or a reduction of the price at which they have to be taken over, the change in Turkish credit having obviously rendered the conditions of the existing contract unsuitable. They are also endeavouring to obtain a modification of the working expenses guarantee, in order to remove the objection that, in its present form, it makes it to the railway's interest to discourage traffic.

H. BABINGTON SMITH.

June 16, 1913.

[27813] No. 398.

Sir G. Lowther to Sir Edward Grey.—(Received June 17.)

(No. 283.)
(Telegraphic.) *Constantinople, June 17, 1913.*

MY despatches Nos. 285 and 499.

His Majesty's consul at Basra telegraphs on 16th June that Sheikh Ajeymi-bin-Plenidun threatens to attack Basra shortly, and has approached him, through American missionary, asking what attitude His Majesty's Government would adopt if he were successful.

I have answered that it would be more prudent not to give any answer, as any communication from him is likely to be misconstrued or misquoted.

[27814] No. 399.

Sir G. Lowther to Sir Edward Grey.—(Received June 17.)

(No. 284.)
(Telegraphic.) *Constantinople, June 17, 1913.*

MY immediately preceding telegram of to-day.

Following from consul at Basra, dated 17th June, marked "Urgent":—

"My telegram No. 17.

"Consul at Mohammerah informed me yesterday that ten days ago messenger from Ajeymi visited Sheikhs of Mohammerah and Koweit in order to ascertain their attitude if he killed Taleb Bey. Consul received this information recently from Haji Reis, who said that two sheikhs were supporting Taleb Bey.

"Consul also informed me that Sheikh of Mohammerah told him yesterday that Ajeymi was hiring houses in Basra in order to create disturbance, and that Commandant Ferid Bey was conniving at this.

"I received local confirmation of this report to-day to the effect that Ajeymi's brother proposes to visit Basra, and is hiring three houses in Seymer bazaar.

"I am informing the vali.

"I am informed here that commandant is probably trying to make trouble in order to bring about establishment of martial law, which would enable him to deal with Taleb Bey, with whom he is at enmity.

"If such action is not checked serious trouble may ensue."

[27823] No. 400.

Sir G. Buchanan to Sir Edward Grey.—(Received June 17.)

(No. 223.)
(Telegraphic.) *St. Petersburgh, June 17, 1913.*

YOUR telegram No. 157 of 16th June: Reforms in Turkey.

Assistant Minister for Foreign Affairs said he could not explain how misunderstanding had arisen, as he had quite understood your suggestion.

He personally saw no objection to it, but must consult Minister for Foreign Affairs before giving definite reply.

[27302] No. 401.

Sir Edward Grey to Sir G. Buchanan.

(No. 458.)
(Telegraphic.) R. *Foreign Office, June 17, 1913.*

I HAVE received a communication from the Russian Embassy respecting the Turco-Persian frontier from Hawizeh to the sea. Following is an extract:—

"Cette ligne suivrait . . . la rive persane même de manière à laisser à la Turquie toute la surface fluviale.

"Tout le cours du Chatt-el-Arab se trouverait ainsi cédé à la Turquie, et le Karoun n'aurait de débouché sur le Golfe Persique que le bras difficilement navigable de Bechmetor (Bahmishir): il semblerait que la valeur du Karoun, en tant que fleuve ouvert à la navigation internationale, en serait sensiblement diminuée.

"Le Gouvernement Impérial pense qu'il serait désirable d'éclaircir comment pourrait être garanti la navigation internationale du Chatt-el-Arab; il désirerait de même être informé sur l'état de la question de l'établissement d'une commission internationale de navigation sur ce fleuve.

"Le Gouvernement britannique a bien voulu nous communiquer confidentiellement copie de ce projet le 29 juillet, 1912, et nous comptons formuler à son sujet, par l'entremise de l'Ambassadeur d'Angleterre, certaines remarques et exprimer quelques désirs.

"D'après le projet de déclaration sur cette frontière, le Gouvernement britannique 's'engage à inviter le Gouvernement persan à accepter le tracé susmentionné de cette frontière comme tracé définitif.' Le Gouvernement Impérial n'est pas sans appréhender que pareille rédaction n'occasionne quelque froissement de l'amour-propre du Gouvernement persan."

I have been somewhat surprised by the receipt of this communication, as, in the absence of any criticism by the Russian Government of the document, communicated to them last July, and suggesting a definite line of frontier along the Shatt-el-Arab, I had assumed that Russian Government did not dissent from that line. It is true that the line allots the whole waterway of the Shatt-el-Arab to Turkey, but this was also so allotted by the mediating commissioners' line of 1851, to which Persia then acceded; and it would, I consider, be impossible to uphold any Persian claim to the mid-channel boundary having regard to the terms of the Treaty of Erzeroum. But the present declaration in no way invalidates or supersedes the clause of the Treaty of Erzeroum, which secures the right of navigation to the Karun via the Shatt-el-Arab.

I have communicated to the Russian Ambassador the draft of our convention with Turkey respecting the Shatt-el-Arab Riverain Commission, and I think the Russian Government will be satisfied that it contains adequate safeguards for international navigation, and that those safeguards are in excess of any which have hitherto existed.

As to the declaration referred to in the last paragraph of the Russian communication, as the line now provisionally agreed to by Turkey is more favourable to Persia than that awarded by the mediating commissioners, which Persia was ready to accept, I cannot understand how she could possibly object to it.

In Mr. O'Beirne's telegram No. 232 of 30th June I was led to believe that Russia would support His Majesty's Government in regard to the Mohammerah line, in which they were particularly interested, and I undertook to support Russia in regard to the northern part of frontier. I earnestly trust that Minister for Foreign Affairs will not now raise any difficulty in regard to the arrangements for the Shatt-el-Arab.

(Repeated to Constantinople, No. 265, and Tehran, No. 275.)

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[26931] No. 402.

Sir Edward Grey to M. Cambon.[a]

SIR E. GREY presents his compliments to the French Ambassador, and has the honour to transmit to his Excellency herewith, for the confidential information of the French Government, a copy of a convention, and annexed declaration, initialled *ad referendum* in London on the 11th June, 1913.

Foreign Office, June 17, 1913.

Enclosure in No. 402.

Convention concernant l'établissement d'une Commission pour améliorer les Conditions de la Navigation du Chatt-el-Arab.

SA Majesté le Roi du Royaume-Uni de la Grande-Bretagne et d'Irlande et des territoires britanniques au delà des Mers, Empereur des Indes, d'une part; et

Sa Majesté l'Empereur des Ottomans, d'autre part;

Désireux tous deux d'améliorer les conditions de la navigation du Chatt-el-Arab et de diminuer les risques auxquels le commerce de leurs sujets pourrait y être exposé, par suite de l'importance de leurs intérêts dans le commerce sur le fleuve;

Ont nommé pour leurs Plénipotentiaires, savoir:

Sa Majesté le Roi de la Grande-Bretagne, Empereur des Indes;

Sa Majesté l'Empereur de Turquie:

Lesquels, s'étant communiqué leurs pleins pouvoirs, trouvés en bonne et due forme, sont convenus de ce qui suit:

ARTICLE 1er.

La navigation du Chatt-el-Arab demeurera ouverte aux navires de toutes les nationalités.

ARTICLE 2.

Le Gouvernement Impérial ottoman établira une commission chargée de remplir les fonctions relatives à la navigation du Chatt-el-Arab depuis Kourna jusqu'à la mer, telles qu'elles sont définies à l'article 6.

ARTICLE 3.

Cette commission sera composée de deux membres seulement, à être désignés par le Gouvernement Impérial ottoman. Le Gouvernement Impérial, désirant que l'un des membres soit de nationalité britannique, invitera le Gouvernement de Sa Majesté britannique à lui proposer des candidats parmi lesquels il choisira l'un des commissaires.

ARTICLE 4.

Chacun de ces commissaires recevra un traitement annuel de £ T. 2,000, net de toute réduction. Les traitements seront versés par la commission.

ARTICLE 5.

La commission aura qualité pour nommer tels agents et employés qu'elle jugera nécessaires, mais le Gouvernement Impérial, désirant que l'ingénieur en chef et l'inspecteur des services fluviaux soient de nationalité britannique invitera le Gouvernement de Sa Majesté britannique à lui proposer des candidats parmi lesquels il

[a] Also to Comte Benckendorff and Prince Lichnowsky, *mutatis mutandis*.

choisira ces fonctionnaires. La commission nommera un ingénieur-adjoint et un inspecteur-adjoint de nationalité ottomane. Le traitement de ces agents et employés sera fixé et versé par la commission.

ARTICLE 6.

La commission sera chargée des fonctions suivantes:—

(*a.*) L'exécution de tous les travaux qui seront jugés nécessaires à l'amélioration du chenal du fleuve et de ceux qui y donnent accès du côté de la mer.

(*b.*) Le maintien du chenal du fleuve libre de toute espèce d'obstruction de façon à assurer à la navigation les conditions les plus propices en tout temps.

(*c.*) La préparation, promulgation et mise à exécution de règlements touchant la navigation et la police du fleuve ainsi que les terrains et constructions détenus par la commission.

(*d.*) Le contrôle du pilotage.

(*e.*) La mise de bouées et l'éclairage du chenal, ainsi que le maintien et la surveillance des phares et des bouées placés dans les chenaux donnant accès au fleuve, tels qu'ils sont spécifiés dans l'annexe à cette convention.

(*f.*) La surveillance, dans la mesure où cela est nécessaire pour assurer l'application des dispositions contenues dans la présente convention et sous réserve des droits contractuels des Puissances étrangères, des débarcadères, quais, docks et jetées appartenant à des particuliers et sis dans ou sur les bords du fleuve, ainsi que la faculté de pourvoir à toutes accommodations et facilités que la commission pourra juger nécessaires.

(*g.*) Dans le cas où un port serait établi à Basra en conformité de quelque convention que ce soit liant la Turquie à la date présente, les droits qui seront assurés dans ce port au Gouvernement Impérial ottoman par cette convention et par le cahier des charges seront, en tant que ces droits concernent les matières traitées dans les paragraphes précédents, exclusivement exercés par la commission.

ARTICLE 7.

La commission aura qualité pour fixer, par les règlements édictés par elle en vertu de l'article 6 (*c*) de cette convention, les amendes qui seront imposées en cas de leur contravention. Telles contraventions seront justiciables exclusivement par la commission qui sera revêtue pour des cas semblables de l'autorité, analogue à celle dont jouissent les municipalités, d'infliger aux délinquants des amendes et, à défaut de payement de telles amendes, le terme de réclusion équivalent prescrit par la loi ottomane.

ARTICLE 8.

Pour toute autre affaire pénale du ressort de la commission, la police de celle-ci aura seule le droit d'opérer des arrestations. Les prévenus seront ensuite remis aux autorités compétentes; la commission aura le droit de se faire représenter au procès en qualité de plaignant.

I. H.
A. H.

ARTICLE 9.

Le Gouvernement Impérial ottoman s'engage à faciliter l'acquisition par la commission de tout terrain que celle-ci jugera nécessaire en vue d'accomplir d'une manière efficace les fonctions qui lui seront dévolues. Ces acquisitions se feront en conformité de la loi ottomane d'expropriation pour cause d'utilité publique et le prix en sera acquitté par la commission.

Dans le cas où la commission jugerait nécessaire l'acquisition de terrains auxquels des servitudes de pêche sont attachées, il ne sera imposé à ces droits de servitude de pêche aucune restriction vexatoire.

ARTICLE 10.

Aucun droit, taxe ou charge basé sur le fait seul de la navigation ne sera prélevé, soit par la Sublime Porte, soit par la commission, sur les bâtiments ou marchandises dans le Chatt-el-Arab à moins d'être perçu en rémunération de services rendus.

ARTICLE 11.

La commission aura seule le droit de prélever les droits ou charges qui seront jugés nécessaires pour couvrir les dépenses des travaux et services administrés par

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elle. Le produit de tels droits ne dépassera pas la somme nécessaire pour atteindre le but ci-haut mentionné, y compris les frais généraux d'administration de la commission, et le produit y sera exclusivement affecté. Tout excédent devra être utilisé à la réduction des droits. Le taux de ces droits ne dépassera dans aucun cas 1 fr. par tonne nette de navigation.

ARTICLE 12.

Tout droit ou charge imposé par la commission sera prélevé impartialement et équitablement de tout bâtiment (exception faite de ceux qui sont exclusivement affectés à la navigation fluviale), quels que soient le port d'origine, de destination et de départ, le pavillon et l'armateur, la nationalité ou le propriétaire du chargement. De même, il ne sera fait aucune distinction, en matière des facilités à accorder, ni entre les bâtiments par rapport à leur pavillon, à leur armateur ou à leur port de départ ou de destination, ni entre les marchandises par rapport à leur nationalité ou à leur propriétaire. I. H. A. H.

ARTICLE 13.

Toute somme que la commission jugera nécessaire d'emprunter pour le compte-capital en vue d'accomplir les fonctions qui lui seront dévolues sera avancée par le Gouvernement Impérial ottoman, après entente avec le Gouvernement de Sa Majesté britannique, à un taux d'intérêt qui ne dépassera pas 5 pour cent.

ARTICLE 14.

Le contrôle de tous les fonds perçus et déboursés par la commission relèvera exclusivement de celle-ci.

ARTICLE 15.

La commission publiera tous les ans un relevé complet et exact de ses comptes, qui montrera les sommes perçues et déboursées par elle. Ce relevé sera soumis à l'examen de la cour des comptes.

ARTICLE 16.

Si, la limite mentionnée à l'article 11 étant atteinte, les recettes de la commission ne suffisent pas à ses dépenses ordinaires, le déficit sera comblé par le Gouvernement Impérial ottoman en attendant qu'une entente intervienne entre les deux Gouvernements sur les moyens de rétablir l'équilibre financier.

ARTICLE 17.

Dans le cas où un désaccord s'élèverait entre les membres de la commission sur la question de savoir si tels ou tels travaux particuliers sont ou ne sont pas nécessaires à l'amélioration du Chatt-el-Arab, ou bien sur la façon dont ces travaux devront être exécutés, la question en litige sera déférée par elle à un ingénieur de compétence reconnue, désigné d'un commun accord par les commissaires ou, faute d'un tel accord, par les deux Gouvernements. La décision rendue par cet ingénieur sera adoptée par la commission.

ARTICLE 18.

La commission s'adressera, pour toutes les questions se rapportant aux fonctions qui lui seront confiées, à la Sublime Porte directement, et non pas par le canal des autorités locales.

ARTICLE 19.

Les autorités locales ne s'immisceront en aucune façon dans des questions ayant trait ni aux immeubles, constructions, terrains ou autre propriété de la commission, ni à ses fonds, ni à l'exercice de leurs fonctions par les agents chargés de la police, du pilotage ou des autres services établis par elle, ni aux débarcadères, jetées, docks ou quais situés dans ou sur les bords du fleuve et appartenant à des particuliers.

Le personnel de la police qui sera employée par la commission sera choisi parmi les sujets ottomans et de préférence parmi ceux qui ont déjà été au service du Gouvernement Impérial. La commission aura qualité pour engager des officiers supérieurs de nationalité étrangère pour exercer des fonctions d'organisation et de commandement.

ARTICLE 20.

La remise à la commission de bouées ou de phares placés dans les chenaux donnant accès au Chatt-el-Arab ne sera pas considérée comme portant atteinte à la juridiction territoriale exercée dans les eaux où ces bouées ou phares sont situés. Aucune provision non plus de cette convention ne sera interprétée comme revêtant la commission de l'autorité d'exercer une juridiction ou des fonctions ou de prélever des droits ou d'acquérir des terres en dehors des limites de l'Empire ottoman sans le consentement de la Puissance territoriale, ni comme modifiant l'application ou l'interprétation des dispositions d'aucun traité ou arrangement définissant les frontières de l'Empire.

ARTICLE 21.

Cet arrangement restera en vigueur pour une période de soixante ans à partir du jour de sa signature. Dans le cas où aucune des deux Hautes Parties Contractantes n'aurait fait connaître à l'autre douze mois avant l'expiration de ladite période de soixante ans son intention de mettre fin à l'arrangement, il restera en vigueur jusqu'à l'expiration d'un an à partir du jour où l'une des deux Hautes Parties Contractantes l'aura dénoncé. I. H. A. P.

En foi de quoi, les Plénipotentiaires respectifs ont signé la présente convention et y ont apposé leurs cachets.

Fait à Londres, en double original, , 1913.

Parafée *ad referendum*
le 11 juin, 1913.

I. H.

A. P.

ANNEXE.

Liste des Bouées et Phares du Chatt-el-Arab.

No.	Nature des Phares, &c.	Propriétaire actuel.	Position.	Description sur Carte.*
1	Vaisseau-phare ..	Gouvernement ottoman ..	Barre extérieure ..	*Lt. Fl. ec. 5 sec. 56 feet, vis. 10 m.*
		britannique..	" " ..	*Lt. F.*
2	Bouée à gaz acétylène ..	" " ..	" " ..	*Old bar buoy.*
3	Bouée non éclairée ..	" ottoman ..	" " ..	*No. 1.*
4	" " ..	" britannique..	" " ..	" *2.*
5	" " ..	" " ..	" " ..	" *3.*
6	" " ..	" " ..	Chenal	" *4.*
7	" " ..	" ottoman ..	" " ..	" *5.*
8	" " ..	" " ..	" " ..	" *6.*
9	" " ..	" britannique..	" " ..	" *7.*
10	" " ..	" ottoman ..	" " ..	" *8.*
11	" " ..	" " ..	Barre intérieure ..	" *9.*
12	" " ..	" britannique..	" " ..	*Inner bar buoy.*
13	" " ..	" ottoman ..	Fao	*Lt. F. red 26 feet, vis 8 m.*
14	Phare ..	"		

* Admiralty Chart No. 1235 "Mouth of the Euphrates, Shatt-el-Arab, and Bubiyan River (corrected to February 1913).

Déclaration.

LE Gouvernement Impérial ottoman déclare que, dans le cas où le cheikh de Mohammera voudrait prier un des commissaires de s'occuper des intérêts du commerce et de la navigation persans, la Sublime Porte autorisera ledit commissaire à s'occuper de

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ces intérêts sans que cela puisse préjudicier en quoi que ce soit à sa qualité de commissaire ottoman et à ses attributions telles qu'elles sont définies par cette convention.

En foi de quoi le soussigné, dûment autorisé à cet effet, a signé la présente déclaration.

Fait à Londres, en double original, le , 1913.

Paraîée *ad referendum*
le 11 juin, 1913.

E. H.

A. P.

[25340] No. 403.

Sir Edward Grey to Count Benckendorff.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Russian Ambassador, and has the honour to acknowledge the receipt of a communication based on reports from the Russian consul at Bitlis relative to an increase in the number of outrages committed on Armenians by Kurds.

Sir Edward Grey regrets to hear of this serious condition of affairs, which should occupy the early attention of the Ambassadors of the Great Powers at Constantinople.

Foreign Office, June 17, 1913.

[26619] No. 404.

Foreign Office to India Office.

Sir, *Foreign Office, June 17, 1913.*

WITH reference to your letter of the 10th instant, I am directed by Secretary Sir E. Grey to state that he considers it desirable that Sir P. Cox should now inform the Sheikh of Koweit of the details of the draft agreement with Turkey respecting Koweit.

He also considers it desirable that he should proceed as proposed with regard to Mohammerah, and that some further honour should be bestowed on the Sheikh of Mohammerah when the negotiations with Turkey are finally brought to a close.

I am, &c.
LOUIS MALLET.

[27280] No. 405.

Foreign Office to Sir J. Jackson.

Sir, *Foreign Office, June 17, 1913.*

WITH reference to the letter from this Office of the 14th instant, relative to the completion of the Hindieh barrage, I am directed by Secretary Sir Edward Grey to inform you that he has received a telegram from His Majesty's Ambassador at Constantinople, reporting that the Turkish Minister of Public Works has arranged to see your representative at Constantinople to-morrow, when his Excellency hopes to be able to tell him something definite.

Sir G. Lowther has explained the situation to the Grand Vizier, who said that he would lay the matter before the Minister of Finance, but that he did not see, in view of the condition of the exchequer, what could be done in the matter.

I am to add that the question has also been mentioned here to Hakki Pasha.

I am, &c.
LOUIS MALLET.

[27835] No. 406.

Sir G. Lowther to Sir Edward Grey.—(Received June 18.)

(No. 524.)
Sir, *Constantinople, June 13, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's consul-general at Smyrna, reporting on the state of lawlessness existing at Adalia.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 406.

Consul-General Barnham to Sir G. Lowther.

(No. 47.)
Sir, *Smyrna, June 9, 1913.*

I HAVE the honour to inform your Excellency that Colonel Hawker, of the Imperial Gendarmerie, has written to me from Adalia to the effect that a state of lawlessness prevails in that district which causes universal alarm, and Mr. Vice-Consul Keun has written to confirm this report.

Several bands of armed men attack travellers outside the town; merchants are afraid to leave, and in many cases have closed their business.

As the military authorities had taken away so many gendarmes to act as instructors to the army, there were only fourteen foot and sixty mounted gendarmes in the entire sanjak, and the police force (eighteen men) was in a most demoralised state.

Colonel Hawker has telegraphed to Constantinople asking that all the police and the two gendarmerie officers should be removed, and that the strength of the gendarmerie should be made up to 500 men.

I have, &c.
HENRY D. BARNHAM.

[27840] No. 407.

Sir G. Lowther to Sir Edward Grey.—(Received June 18.)

(No. 529. Confidential.)
Sir, *Constantinople, June 14, 1913.*

WITH reference to my despatch No. 416 of the 13th May, I have the honour to transmit herewith copy of a letter marked confidential which I have received from the Armenian Patriarch, in which, while explaining that the communication recently addressed by him to the Grand Vizier is not to be considered in the light of "a demonstration addressed to the Ottoman Government or of a manifestation intended to give the question of reforms in the eastern provinces an appearance of renewed acuteness," he again appeals to me to take such measures as may be appropriate to conjure the imminent danger threatening the Armenian population of Asiatic Turkey.

I understand that a similar letter has been addressed to the Embassies of France and Russia, but not to those of the other Powers.

I do not enclose the copy of the "takrir" presented to the Grand Vizier referred to in his Beatitude's communication, as this has been already sent to you in my above-mentioned despatch.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 407.

Armenian Patriarch to Sir G. Lowther.

(Confidentielle.) *Patriarcat arménien, Constantinople.*

LE Patriarche des Arméniens de Turquie a l'honneur de remettre ci-joint à votre Excellence la traduction du "takrir" qu'il a présenté samedi soir à son Altesse le Grand Vizir.

Il ne voudrait pas que sa démarche fût interprétée comme une démonstration à

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l'adresse du Gouvernement ottoman, ni comme une manifestation tendant à conférer à la question des réformes dans les provinces orientales de l'Empire un caractère d'acuité nouvelle.

Déjà depuis plus de deux ans le Patriarche a renoncé à poursuivre avec le Gouvernement ottoman toute conversation sur ce sujet. Il regrette de ne pouvoir attendre de lui aucun effort sincère en vue de la réorganisation de ces régions désolées.

Par le mémorandum que le Patriarche a présenté le 12 mai dernier à son Altesse le Grand Vizir, il s'est contenté de lui signaler pour une dernière fois le danger des massacres qui menace les Arméniens. Il a réclamé que des mesures efficaces fussent prises pour écarter ce péril devenu de jour en jour plus menaçant.

Votre Excellence n'ignore pas que la situation des Arméniens s'était subitement aggravée à la suite de la guerre balkanique.

L'issue malheureuse de cette guerre avait ajouté la soif de la vengeance à la haine séculaire. D'un bout à l'autre de l'Anatolie une menace de massacres s'étendit sur leur tête. Ils servirent d'otage entre les mains des musulmans. Si ces massacres n'eurent pas lieu, cela fut dû uniquement à ce que, quoique victimes des plus abominables forfaits, les Arméniens avaient renoncé même à demander justice, craignant que leur attitude ne fût interprétée comme un acte de provocation. Ils sont parvenus jusqu'ici à éviter seulement les hécatombes. Les assassinats n'ont pas cessé d'augmenter et, depuis quelque temps, ils présentent ce caractère significatif d'être commis dans l'intention manifeste de jeter l'épouvante parmi les Arméniens. Exposés à cet attentats et au danger d'être massacrés en masse, ceux-ci ne peuvent compter sur aucune protection gouvernementale et n'ont pas même le droit de se défendre. S'ils se procurent des armes ils sont tout de suite accusés de préparer un soulèvement. La vigilance du Gouvernement ne se trouve jamais en défaut contre eux. L'action gouvernementale en les montrant toujours prêts à prendre des armes ne fait qu'exciter davantage la haine des masses fanatiques.

Par la lecture du "takrir" votre Excellence se rendra un compte exacte de la situation des Arméniens. Elle constatera que depuis la remise du mémorandum le Gouvernement ottoman a négligé de prendre, en dépit des assurances formelles qu'il avait données à ce sujet, les mesures de précaution les plus élémentaires.

Depuis Alep jusque sur les bords du lac de Van le peuple Arménien vit dans la terreur du lendemain. De longues caravanes de familles gagnent de nouveau la frontière. Les Arméniens se voient reduits à renoncer aux liens que des siècles d'histoire des siècles de labeur opiniâtre avaient forgés entre le sol et eux.

En présence de cette situation devenue intolérable et le résultat négatif de ses démarches, le Patriarche, tout en attendant avec confiance la solution qui doit intervenir sur la question des réformes en Arménie, prie votre Excellence de prendre d'urgence toutes les mesures qu'elle jugera propres à éviter le danger de massacres imminents dans l'Anatolie.

Le Patriarche saisit, &c.

ARCHEVÊQUE CHANNÈS ARCHAROUNI,
Patriarche des Arméniens de Turquie.

[27953] No. 408.

Sir G. Louther to Sir Edward Grey.—(Received June 18.)

(No. 286.)
(Telegraphic.) R. *Constantinople, June 18, 1913.*

Sr. PETERSBURGH telegram No. 220 of 16th June and your telegram No. 457 of 16th June to St. Petersburgh: Reforms in Asiatic Turkey.

I have no cognisance of any definite Turkish scheme. My French colleague and my Russian colleague and I yesterday discussed the question in an informal manner, and I am to-morrow sending you preliminary draft project.

[26466] No. 409.

Sir Edward Grey to M. Cambon.

SIR E. GREY presents his compliments to the French Ambassador, and has the honour to communicate to his Excellency certain conventions and declarations which have been initialled *ad referendum* by Hakki Pasha and representatives of His Majesty's Government.

Sir E. Grey will be obliged if the French Government will treat these documents as confidential for the present.

He hopes to communicate shortly to the French Government a reply to the communication made by the French Ambassador on the 2nd June respecting the conditions of French fiscal and financial assistance to Turkey.

Foreign Office, June 18, 1913.

Enclosure 1 in No. 409.

Déclaration.

1. LE Gouvernement Impérial ottoman se déclare prêt à accorder une concession pour la navigation à vapeur sur les fleuves Tigre et Euphrate. Les bâtiments employés en vertu de cette concession auront, sauf les réserves ci-dessous spécifiées, le droit exclusif de la navigation à vapeur sur lesdits fleuves pendant la durée de la concession et la faculté de naviguer sans restriction de nombre sur eux jusqu'à des points à fixer ultérieurement—pourvu toutefois que les points désignés ne se trouvent pas en aval de Mosoul sur le Tigre et de Meskéné sur l'Euphrate—et sur tous leurs affluents et canaux navigables.

2. En conformité du droit général de navigation sur le Chatt-el-Arab, lesdits bâtiments auront la faculté de naviguer entre Kourna et la mer ou entre tous points intermédiaires.

3. La concession restera en vigueur pour une période de soixante ans au moins, avec faculté de prolongement pour des périodes successives de dix ans, et elle sera accordée à un concessionnaire qui s'engagera à constituer, en vue de l'opérer, une société ottomane. Le Gouvernement Impérial ottoman invite le Gouvernement de Sa Majesté britannique à soumettre à son agrément un concessionnaire possédant les qualités requises. Le capital de la société sera partagé à proportions approximativement égales entre la Turquie et la Grande-Bretagne.

4. Le président de la société sera de nationalité ottomane et présidera l'assemblée générale des actionnaires. Le président du conseil d'administration sera de nationalité britannique. Les présidents de la société et du conseil d'administration auront tous les deux la voix prépondérante en dehors de leur vote ordinaire. La proportion des directeurs ottomans et britanniques sera égale. Les statuts de la société ainsi que tous les détails concernant la concession et le service à maintenir seront arrêtés avec le moins de retard possible par le Gouvernement Impérial ottoman d'accord avec le concessionnaire.

5. Le Gouvernement Impérial ottoman est prêt à transférer à la nouvelle société dans des conditions équitables tous ses intérêts à l'égard de la navigation à vapeur dans les limites spécifiées par l'alinéa 1er de la présente déclaration.

6. Sont réservés les droits de la société du chemin de fer de Bagdad à l'égard du transport de matériaux destinés à la construction de la ligne.

7. Le Gouvernement Impérial ottoman déclare en outre qu'aucune clause de la concession ne portera atteinte de quelque manière que ce soit au droit dont jouissent actuellement les bâtiments britanniques à l'égard de la navigation à vapeur sur les fleuves Tigre et Euphrate, lesquels droits sont pleinement réservés et resteront comme par le passé tels qu'ils sont définis par le document annexé.

8. Après l'expiration de la concession, la société continuera à jouir du droit de la navigation à vapeur dans les limites spécifiées mais sans posséder aucun monopole.

9. Il est entendu que la présente déclaration et le document annexé n'ont trait qu'à la seule navigation commerciale.

10. Aux fins de la présente déclaration et du document annexé la phrase "navigation à vapeur" comprend la navigation à électricité ou à toute autre force motrice.

11. Le Gouvernement Impérial ottoman se déclare en outre prêt à admettre que, en cas de contestation au sujet de l'interprétation ou de la mise à exécution de la concession ou de la présente déclaration, la question en litige soit déférée, sur la demande de l'une ou de l'autre des parties intéressées, au jugement du tribunal international d'arbitrage de La Haye.

Paraîée *ad referendum*
le 20 mai, 1913.

I. H.

A. P.

PUBLIC RECORD OFFICE, LONDON

Annexe.

A. Deux bateaux à vapeur battant pavillon britannique continueront à naviguer sur les fleuves Tigre et Euphrate et à profiter du droit général de la navigation sur le Chatt-el-Arab.

B. Un bateau à vapeur battant pavillon britannique sera tenu en réserve en vue de remplacer l'un ou l'autre des bateaux ci-dessus mentionnés pour le cas où il serait hors de service.

C. Les deux bateaux faisant actuellement le service auront, comme par le passé, la faculté de remorquer chacun deux allèges.

D. Un bateau à vapeur placé sous la direction de MM. Lynch ou d'autres personnes désignées par eux, mais qui, une fois hors du port, bat pavillon ottoman, aura la faculté de naviguer en même temps que les deux bateaux ci-dessus spécifiés et, comme ces derniers, de remorquer des allèges.

Paraféé *ad referendum*
le 20 mai, 1913.

L. H.

A. H.

Enclosure 2 in No. 409.

Convention concernant les Chemins de fer en Asie Mineure.

SA Majesté le Roi du Royaume-Uni de la Grande-Bretagne et d'Irlande et des territoires britanniques au delà des Mers, Empereur des Indes, d'une part; et

Sa Majesté l'Empereur des Ottomans, d'autre part;

Désireux tous deux d'écarter toute condition pouvant donner lieu à l'avenir à des différends entre eux en ce qui concerne le transport des marchandises par les chemins de fer de l'Asie Mineure;

Ont nommé pour leurs Plénipotentiaires savoir:

Sa Majesté le Roi de la Grande-Bretagne, Empereur des Indes:

Sa Majesté l'Empereur de Turquie:

Lesquels, s'étant communiqué leurs pleins pouvoirs, trouvés en bonne et due forme, sont convenus de ce qui suit:

ARTICLE 1.

Le Gouvernement Impérial ottoman s'engage à veiller à ce que la société du chemin de fer de Bagdad applique à toutes les marchandises d'une catégorie identique qui pourront lui être présentées en vue d'être transportées par chemin de fer, entre les mêmes stations et dans les mêmes conditions, précisément le même régime, tant pour le tarif qui leur sera imposé que pour les facilités dont elles jouiront, quels que soient:

(*a.*) Le pays d'origine des marchandises importées dans l'Empire ottoman;
(*b.*) Le pays de destination des marchandises exportées de l'Empire ottoman;
(*c.*) Les pays d'origine et de destination des marchandises en transit par l'Empire ottoman; et
(*d.*) Le pavillon et l'armateur des bâtiments sur lesquels les marchandises seront importées ou exportées par les ports ottomans.

ARTICLE 2.

Le Gouvernement Impérial ottoman s'engage à veiller à ce que la société du chemin de fer de Bagdad ne conclue avec une société de navigation ou avec un armateur dont les bâtiments desservent un ou plusieurs ports, soit maritimes, soit fluviaux, de son réseau, d'arrangement particulier relatif à certaines catégories de marchandises importées ou exportées par ces ports sans que cet arrangement soit de plein droit applicable, dans les mêmes conditions, à toute autre société de navigation

ou à tout autre armateur dont les bâtiments importent ou exportent des marchandises de la même catégorie par les mêmes ports. Il est toutefois entendu que cet article ne porte nullement atteinte aux droits concédés par l'article 9 de la convention du 5 mars, 1903, relative à l'importation de matériaux destinés à la construction du chemin de fer de Bagdad.

ARTICLE 3.

Aux fins de la présente convention la phrase "les mêmes conditions" signifie les mêmes conditions de poids, d'emballage et de vitesse (grande, petite ou autre).

ARTICLE 4.

Dans le cas où le commerce britannique serait soumis, sur quelqu'un des chemins de fer auxquels s'applique la présente convention, à un régime d'exception en quelque relation non spécifiée par les articles précédents, telle, par exemple, que l'insuffisance des facilités accordées en matière de transport commun ou la pose de conditions spéciales au transport effectué par une voie déterminée, le Gouvernement de Sa Majesté britannique se réserve le droit de faire à ce sujet des représentations auprès du Gouvernement Impérial ottoman, qui prendra les dispositions nécessaires pour remédier au grief.

ARTICLE 5.

Les provisions de la présente convention ne s'appliquent ni au transport des militaires, des marins ou des civils, ni à celui des munitions militaires, navales ou civiles pour le compte du Gouvernement Impérial ottoman, ni à celui des matériaux destinés aux services publics de l'État ottoman.

ARTICLE 6.

Aucune provision de la présente convention ne sera interprétée comme une défense de l'établissement d'une distinction entre les tarifs à appliquer:

(*a.*) Au transport intérieur, d'une part; et
(*b.*) Au commerce d'importation, d'exportation et de transit, d'autre part.

ARTICLE 7.

Les provisions de la présente convention s'étendront, dans la mesure où elles y sont applicables, au régime appliqué par la société du chemin de fer au transport des voyageurs entrant dans l'Empire ottoman, le quittant ou traversant son territoire, et de leur bagage. Toutefois, elles ne s'appliqueront pas au transport des émigrés et des indigents et de leur bagage.

Aux fins du présent article, le terme "émigrés" se rapporte aux personnes venues s'établir dans les limites de l'Empire ottoman qui sont transportées par les soins de la commission des émigrés.

ARTICLE 8.

Le Gouvernement Impérial ottoman s'engage à veiller à ce que les provisions des articles précédents soient appliquées à tout chemin de fer (soit actuellement existant, soit à construire à l'avenir) en Asie Mineure qui se raccorderait avec le chemin de fer de Bagdad, comme s'il faisait partie intégrante de celui-ci.

ARTICLE 9.

Le Gouvernement Impérial ottoman s'engage à veiller à ce que la société du chemin de fer de Bagdad admette à son conseil d'administration deux membres de nationalité britannique. Avant la nomination de ces membres, le Gouvernement Impérial ottoman prendra les dispositions nécessaires pour s'assurer qu'elle a l'agrément du Gouvernement de Sa Majesté britannique. Dans le cas où, en vertu d'un arrangement quelconque, le tronçon Bagdad–Basra serait construit par une autre société, les provisions du présent article s'appliqueront également à celle-ci.

ARTICLE 10.

Aucun prolongement de voie ferrée au delà de Basra vers la mer ne pourra avoir lieu qu'après accord préalable entre le Gouvernement de Sa Majesté britannique et le Gouvernement Impérial ottoman et dans les conditions agréées par eux.

PUBLIC RECORD OFFICE, LONDON

ARTICLE 11.

En cas de contestation au sujet de l'interprétation ou de la mise à exécution de la présente convention, la question en litige, à moins d'être réglée dans un délai de trois mois à la satisfaction des deux Gouvernements, sera déférée, sur la demande de l'un ou de l'autre Gouvernement, au jugement du tribunal international d'arbitrage de La Haye.

ARTICLE 12.

La présente convention sera ratifiée et les ratifications seront échangées aussitôt que faire se pourra, et au plus tard dans un délai de trois mois.

En foi de quoi, les Plénipotentiaires respectifs ont signé la présente convention et y ont apposé leurs cachets.

Paraphée *ad referendum*
le 6 mai, 1913.

I. H.

H. H. S.

A. H.

Déclaration.

Le Gouvernement Impérial ottoman déclare que la Société du Chemin de fer de Bagdad a renoncé à tous les droits qui découlent pour elle des conventions existantes en ce qui concerne le prolongement de la ligne de Bagdad au delà de Basra, ainsi qu'au droit d'établir un terminus maritime.

Fait à Londres, le 1913.

Paraphée *ad referendum*
le 6 mai 1913.

I. H.

H. H. S.

A. H.

Enclosure 3 in No. 409.

Déclaration.

LE Gouvernement Impérial ottoman, ayant examiné la question de la frontière qui sépare les territoires ottoman et persan depuis la région de Hauizé jusqu'à la mer, déclare que la ligne frontière doit être fixée comme suit :

La ligne frontière part de l'endroit nommé Oumm-Chir, où le Khor-el-Douvel se sépare du Khor-el-Azem. Oumm-Chir est situé à l'est de la jonction du Khor-el-Mulnaisin avec le Khor-el-Azem à 9 milles au nord-ouest de Bisaitin, endroit qui se trouve à la latitude 31° 43′ 29″. A partir d'Oumm-Chir la ligne se dirige vers le sud-ouest et atteint la longitude 45° à l'extrémité méridionale d'un petit lac, connu aussi par le nom d'Azem et situé dans le Khor-el-Azem à quelque distance au nord-ouest de Chouaïb. De ce point la ligne continue vers le sud le long du marécage jusqu'à la latitude 31°, qu'elle suit directement vers l'est jusqu'à un point au nord-est de Kouchk-i-Basra, de façon à laisser cette localité en territoire ottoman. De ce point la ligne va au sud jusqu'au Chatt-el-Arab, qu'elle rejoint à son confluent avec le canal de Khaïyin à un point qui se trouve entre le Nahr-Diaidji et le Nahr Abou-l-Arabid. De ce point la frontière suit le cours du Chatt-el-Arab jusqu'à la mer en laissant sous la souveraineté ottomane le fleuve et toutes les îles qui s'y trouvent aux conditions et avec les exceptions suivantes :

(*a.*) Appartiennent à la Perse : (1) l'île de Mouhalla et les deux îles qui se trouvent entre celle-ci et la rive gauche du Chatt-el-Arab (rive persane d'Abadan) ; (2) les quatre îles entre Chotaït et Manouiyé et les deux îles devant Maukoubi qui sont toutes des dépendances de l'île d'Abadan ; (3) tout îlot actuellement existant ou inexistant qui pourrait se former et qui serait relié par les eaux basses à l'île d'Abadan ou à la terre ferme persane en aval du Nahr-Nazalé.

(*b.*) Le port moderne et l'ancrage de Mouhammera, en amont et en aval de la jonction du fleuve Karoun avec le Chatt-el-Arab, continueront à se trouver sous la juridiction persane en conformité du traité d'Erzeroum, sans que cela puisse infirmer le droit d'usage ottoman de cette partie du fleuve et sans que la juridiction persane puisse s'étendre aux parties du fleuve restant en dehors de l'ancrage.

(*c.*) Aucune atteinte ne sera portée aux droits, us et coutumes existants en ce qui concerne la pêche sur le rivage persan du Chatt-el-Arab, le mot "rivage" comprenant aussi les terres réunies à la côte par les eaux basses.

(*d.*) La juridiction ottomane ne pourra pas s'étendre sur les parties de la côte persane qui pourront être temporairement couvertes d'eau par la marée ou par d'autres causes accidentelles. La juridiction persane de son côté ne pourra pas s'exercer sur des terres qui seront temporairement et accidentellement découvertes en excédant le niveau normal des eaux basses.

(*e.*) Le cheikh de Mouhammera continuera à jouir en conformité des lois ottomanes de ses droits de propriété existant en territoire ottoman.

La ligne frontière établie dans cette déclaration est indiquée en rouge sur la carte ci-annexée.

Le Gouvernement de Sa Majesté britannique s'engage à inviter le Gouvernement Impérial persan à agréer, comme tracé définitif de ses frontières méridionales avec le Gouvernement Impérial ottoman la ligne indiquée ci-dessus et sur la carte annexée.

Le Gouvernement de Sa Majesté britannique se charge également d'inviter le Gouvernement Impérial persan à se mettre d'accord avec le Gouvernement Impérial ottoman pour nommer dans le plus bref délai des commissaires qui auront à appliquer sur le terrain les limites établies par cette déclaration. Si au cours de la délimitation il est constaté par le Gouvernement de Sa Majesté britannique et par le Gouvernement Impérial ottoman que les territoires sur le canal de Khaïyin ci-dessus indiqués étaient effectivement occupés et administrés par les autorités ottomanes à la date du 1er janvier écoulé (nouveau style), le tracé pourra être rectifié.

Fait à Londres, en double original, le 1913.

Paraphée *ad referendum*
le 6 mai, 1913.

I. H.

A. H.

[26466] No. 410.

*Sir Edward Grey to Prince Lichnowsky.**

SIR EDWARD GREY presents his compliments to the German Ambassador, and has the honour to communicate to his Excellency certain conventions and declarations which have been initialled, *ad referendum*, by Hakki Pasha and representatives of His Majesty's Government.†

Sir E. Grey will be obliged if the German Government will treat these documents as confidential for the present.

Foreign Office, June 18, 1913.

[27916] No. 411.

Sir Edward Grey to Count Benckendorff.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Russian Ambassador, and has the honour to express to his Excellency his thanks for the communication of the text of a circular telegram, dated the 12th June, from the Russian Minister for Foreign Affairs, relative to the question of reforms in the Asiatic provinces of the Turkish Empire.

* Also to Count Benckendorff, *mutatis mutandis*.

† See Enclosures in No. 409.

PUBLIC RECORD OFFICE, LONDON

On the 13th June Sir E. Grey addressed a telegram to His Majesty's Ambassador at St. Petersburgh, instructing him to explain to the Russian Minister for Foreign Affairs that it was, in the opinion of His Majesty's Government, impossible to refuse unconditionally to entertain the proposal of the German and Austro-Hungarian Governments on this question. His Majesty's Government feel sure that Turkey will accept no scheme of reforms without the cordial and complete co-operation of all the Powers, and the question will, therefore, at some stage have to be discussed with her.

Sir G. Buchanan was to suggest to M. Sazonof that the Ambassadors should inform the Turkish Government that they wish to consider a scheme of reforms for application in the Asiatic provinces of the Empire which could receive the support of the Powers. The Ambassadors should, therefore, have the opportunity of considering the scheme, which, it is understood, the Sublime Porte have already drafted, and will, after considering the whole question, communicate with the Turkish Government.

The result would be that the Ambassadors would draw up a scheme, as desired by M. Sazonof, for they would only take the Turkish scheme into consideration when discussing among themselves modifications of the proposals of 1895. They would in no way be limited by it, but might very likely find parts of it useful for incorporation into their own draft or adaptation to their views.

Sir G. Buchanan was to add that His Majesty's Government would urge the acceptance of this view on the German Government if M. Sazonof concurs in it, and will present it at Berlin.

Foreign Office, June 18, 1913.

[27203] No. 412

Foreign Office to India Office.

Sir, *Foreign Office, June* 18, 1913.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your two letters of the 13th instant forwarding copies of telegrams exchanged with the Government of India relative to the affairs of Nejd.

I am to state that, in view of the great importance of not arousing the suspicions of the Turkish Government at this moment, Sir E. Grey would be glad if the Marquess of Crewe would, should he see no objection, cause the political agent at Koweit to be instructed by telegraph to abstain as far as possible from communication with the Amir of Nejd and from committing His Majesty's Government to any line of policy whatever.

I am, &c.
LOUIS MALLET.

[27952] No. 413.

The Grounds on which Great Britain bases her Claim that the Turkish Customs Duties cannot be altered without her Consent.

THE articles of the Capitulations which refer to the levy of customs duties are the following:—

ARTICLE 34.

Trade with Aleppo, Egypt, &c.—Duty of 3 per cent. to be paid.

That the English merchants, and other subjects of that nation, shall and may, according to their condition, trade at Aleppo, Egypt, and other ports of our sacred dominions, on paying (according to ancient custom) a duty of 3 per cent. on all their merchandise, without being bound to the disbursement of an asper more.

ARTICLE 54.

Duty on landing of Goods to be 3 per cent.

That the English merchants having once paid the duties on their merchandise, at the rate of 3 per cent., and taken them out of their ship, no one shall demand or exact from them anything more without their consent; and it was moreover expressly commanded that the English merchants should not be molested or vexed in manner aforesaid, contrary to the articles of the Capitulations.

ARTICLE 57.

Uniform Duty of 3 per cent. on Goods Imported in British Ships.

That notwithstanding it is stipulated by the Capitulations (articles 34 and 54) that the English merchants, and other subjects of that nation, shall and may, according to their rank and condition, trade to Aleppo, Egypt, and other parts of our Imperial dominions, and for all their goods, wares, and merchandise, pay a duty of 3 per cent. only, and nothing more, according to ancient custom, the customers having molested the English merchants, with a view to oppress them and the subjects of that nation, on their arrival with their goods laden on board their ships, whether conveyed by sea or land, at our ports and harbours, under pretence of the goods so brought by them not belonging to the English; and that for goods brought from England they demanded 3 per cent. only; but for those brought by them from Venice and other ports they exacted more: wherefore, on this point, let the Imperial Capitulations granted in former times be observed, and our Governors and officers in no wise permit or consent to the same being infringed.

ARTICLE 67.

Duty of 3 per cent. on all Goods Imported and Exported.

It being stipulated by the Capitulations (articles 34, 54, and 57) that the English merchants shall pay a duty of 3 per cent. on all goods by them imported and exported, without being bound to pay an asper more; and disputes having arisen with the customers on this head, they shall continue to pay duty as heretofore paid by them at the rate of 3 per cent. only, neither more nor less.

These articles were modified by the Convention of 1838, article 1 of which was as follows:—

"All rights, privileges, and immunities which have been conferred on the subjects or ships of Great Britain by the existing Capitulations or treaties are confirmed now and for ever, except in as far as they may be specifically altered by the present Convention. . . . ."

The Convention of 1838 was replaced by the Treaty of the 29th April, 1861, but the above-quoted provisions of article 1 were renewed by article 1 of the Treaty of 1861, which was as follows:—

"All rights, privileges, and immunities which have been conferred on the subjects or ships of Great Britain by the existing Capitulations and treaties are confirmed now and for ever, with the exception of those clauses of the said Capitulations which it is the object of the present treaty to modify. . . . ."

It will be noticed that these provisions are the same practically as those of article 1 of the Convention of 1838.

By these two treaties, viz., that of 1838 and that of 1861, the provisions of the Capitulations relating to customs duties were modified.

The Treaty of 1861 was denounced by Turkey and expired on the 1st October, 1883.

On the expiration of the Treaty of 1861, the Porte considered itself entitled to resume its full liberty of action as regards the imposition of duties on foreign goods, and suggested that a fresh commercial agreement should be drawn up. In the course of his reply, Lord Dufferin informed Aarifi Pasha that—

"the older treaties and Capitulations into which the Treaty of 1861 imported temporary modifications are still extant and in force, and that the liberty of action which your

Highness seems inclined to claim for the Porte with respect to the imposition of duties on English goods at the expiration of the Convention would necessarily be limited by their provisions." (Lord Dufferin, No. 3, Commercial, January 11, 1884.)

In his reply Aarifi Pasha denied the correctness of this view in the following terms:—

"Suivant un principe des plus élémentaires du droit international, aussitôt que les dispositions d'un traité, que celui-ce soit conclu ou non, sont modifiées d'un commun accord par les clauses d'un acte subséquent, elles cessent d'être en vigueur pour jamais sans pouvoir revivre à l'expiration de l'acte subséquent." (Lord Dufferin, No. 45, Commercial, March 7, 1884.)

In his reply to Aarifi Pasha, Lord Dufferin, following Lord Granville's instructions, stated that—

"the question raised in your Highness's note is one which Her Majesty's Government are not disposed to discuss for the present, as it goes to the root of the relations between the Porte and foreign Powers, and affects all those Powers alike. I am, however, instructed to state to your Highness that, in the opinion of Her Majesty's Government, the Capitulations are perpetual in their nature and character, though temporarily suspended from time to time in certain respects by the provisions of treaties of limited duration dealing with particular matters.

"In the event of such treaties not being renewed at their expiration, the operation of their Capitulations revives as regards matters dealt with by the lapsed treaties, and it is scarcely necessary for me to add that the right of Her Majesty's Government to most-favoured-nation treatment, at all times and in all matters, is one which has never yet been disputed, and which Her Majesty's Government do not intend to relinquish." (Lord Dufferin, No. 75, Commercial, April 5, 1884.)

In their communications with the Russian Government, on the expiration of the Russian Commercial Treaty of 1862, the Turkish Government put forward the same line of argument. The Russian Government, in reply, maintained the perpetuity of their Capitulations. (Lord Dufferin, No. 70, Commercial, Confidential, March 31; and No. 71, Commercial, Confidential, April 4, 1884.)

The Porte, however, continued to maintain its views in its communications both with the British and Russian Governments, and Her Majesty's Government refused to abandon its position in the negotiations which followed, and introduced into their draft of a proposed Convention stipulations especially framed to provide for the continuance of the Capitulations in their entirety on the expiration of any temporary arrangements modifying them.

In February 1901 Mr. de Bunsen submitted to His Majesty's Ambassador a new draft of a treaty made on the model of the French draft. In this, article 27 of the former draft maintaining the perpetuity of the old treaties was suppressed, and its terms, considerably modified, were transferred to article 1 of the new proposal, which was as follows:—

"Tous les droits, privilèges et immunités conférés aux sujets britanniques . . . . par les stipulations des traités antérieurs sont confirmés, à l'exception de celles de ces clauses qui sont modifiées par le présent traité."

Mr. de Bunsen, in a memorandum on the subject in February 1901 (Confidential, 7707, p. 11), had proposed the addition, at the end of the first paragraph of article 1, of the words "pour le temps de sa durée," but he considered that the suggested article would sufficiently protect our interests without the additional words. In discussing thi article Mr. de Bunsen said:—

"Turkey is not likely to accept the words in question. She is for ever endeavouring to obtain recognition of her theory that the ancient treaties are dead, though they can be revived for a time by a special stipulation of a new treaty. Our theory, on the other hand, is that the ancient treaties are immortal, that they can only be modified by a new treaty and for the time of its duration, and that they revive in their entirety when the new treaty expires."

As a result the new form of article 1 was adopted by His Majesty's Government, which seems to have practically the same force as the corresponding articles 1 of the Treaties of 1838 and 1861.

[28054] No. 413[2].

Sir R. Crawford to Sir W. Tyrrell.—(Received June 19.)

(Confidential.)

Dear Tyrrell, *Hôtel Palais d'Orsay, Paris, June 14, 1913.*

THERE are two or three points about which you may like to speak to Sir E. Grey, as they have relation to my recent conversation with him.

Last week I was present at a meeting here of the board of the Ottoman Bank, when the question was discussed as to the temporary measures to be taken to meet the financial exigencies at Constantinople. It was agreed that something must be done to provide sufficient money to keep things going pending the general settlement which will take place after the Financial Conference has reported. Consultations are in progress with the Germans and with the National Bank with the object of finding some way of furnishing the small advances necessary for this purpose. A suggestion was also made by the French group that steps should be taken for an early consolidation of the outstanding advances in the form of a new short loan—say, five years—carrying 7 per cent. interest. This would be a convenient way of clearing up the difficulties connected with the renewal of the outstanding advances—some of which are already running on at the protest rate of 9 per cent., and the others will eventually follow suit—but the proposal requires consideration from the political as well as the financial point of view. At the present moment it would be unwise to enter into any consolidation arrangement requiring fresh guarantees on revenues not already assigned, as this would prejudice the question as to guarantees about to be discussed at the conference; and, secondly, it is important that no unassigned revenues should be pledged just now until we can judge as to the nature of the guarantees that may be required for the general settlement which must follow immediately after the conference. Apart, however, from this aspect of the matter, all these financial operations should be, I think, subordinated to the institution of effective measures of administrative and economic reform in Asia Minor as affording in the long run the only real guarantees for the stability of the financial situation. It might be well that the Foreign Office should intervene to get this principle accepted as preliminary to any arrangement outside the limits of provisional small advances. In the meantime, it would be preferable that these advances should be guaranteed, if possible, on securities other than revenues not already assigned. For example, attempts have been made by the Ottoman Government to sell the land and buildings at Poplané. This land is really required for the extension of the port and quays on the Galata side, and in this extension the British Government is interested as a shareholder in the quay company. It would be unfortunate therefore if the land fell into the hands of speculators who are already making offers. It would be in the general interest if a lien could be secured on it by means of a mortgage as security for advances to the Turkish Government, say, up to a total of £ T. 600,000. This is the amount at which the quay company has put its first estimate of the value of the property concerned, but it is probably much below its real value. An advance on a mortgage on these lines would prevent any speculative developments contrary to British and French interests in the port and quays, and it would at the same time obviate the necessity of assigning as security revenues not already engaged. This is a matter the British and French groups could take up without any prejudice to German interests. Moreover, in this connection it should be observed that the Germans have secured the rights of the Oriental Railway Company on the Stamboul side—as you are no doubt aware—so that further extension on that side will be more or less in their hands. I have advised Granet here to enter into negotiations with the Germans as to further developments on the Stamboul side, and I have written to Cecil Lubbock on the same point. The matter is one which might be subsequently discussed by the three Governments interested in relation to the future development of the port of Constantinople.

As regards the question of the advances, it should not be overlooked that the financial stringency is still acute; salaries are two months in arrear and the pay of

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the troops is also more or less in arrear. Furthermore, money will be required for the demobilisation.

Now as to reforms. I have submitted to the Turkish delegates here a draft programme for the immediate appointment by the Ottoman Government, in consultation with the Powers interested, of a temporary mixed commission (foreign experts and Turkish functionaries) to draw up a scheme of administrative and economic reforms for Asia Minor after enquiry into the local conditions. The programme has been approved by all the delegates (Djavid is a little lukewarm) and will be submitted at once to the Government by Nail Bey with a strong recommendation that steps should be taken forthwith for the setting up of this mixed commission. At the same time, I have suggested that the execution of the reforms recommended by this temporary commission should be supervised by the Permanent Mixed Commission of Financial and Economic Reforms attached to the Ministry of Finance; that this latter commission should be reconstituted on the Turkish side, and that it should be reinforced on the foreign side by the nomination of a German; that it should be charged with the preparation of the annual budget, and with the supervision of expenditure within the limits of the annual revenues; and that it should be instructed to draw up a scheme of reorganisation of the Turkish Civil Service and be charged with the execution of that scheme.

These are the outlines of the principal proposals. I will not weary you with details. The proposals will be submitted to the Government (notwithstanding the death of Mahmoud Shefket Pasha, which has been reported since I started this letter) by Nail Bey as representing the view of the Turkish delegation, and with a recommendation that they should be adopted forthwith as the only alternative to direct intervention and control by the Powers.

I have written this letter, which kindly treat as strictly confidential, as an appendix to the general conversation I had with Sir E. Grey, and it is for you to decide whether it is likely to be useful to him in connection with the Foreign Office policy in the existing state of things. My personal view is that, in order to avoid further disastrous complications and internal trouble in Turkey, the Powers interested should seize the occasion to insist on the introduction of real measures of economic and administrative reform (in the framing of which they could co-operate on the lines suggested above and subsequently by lending experts to assist in the local application of the approved programme) as a preliminary guarantee for the further investment of money in Turkey, and as an assurance that the financial and other contractual engagements to which the Ottoman Government is already committed will be respected.

An intimation from the Ottoman Government that they have under consideration a scheme of reforms such as I have indicated may enable the Foreign Office to develop the matter in such a way as to secure indirectly most of the advantages supposed to be connected with direct control without incurring the responsibilities for the integrity of the Ottoman Empire, which the assumption of direct control would entail.

I am afraid I have discoursed too long, but I wanted you to have my views for what they are worth.

Yours, &c.
RICHARD F. CRAWFORD.

Dear Tyrrell, *Hôtel Palais d'Orsay, Paris, June* 13, 1913.

As a postscription to my earlier letter, I can now add that the proposals referred to in the latter have been signed to-day by all the Turkish delegates to this conference, and have been despatched by to-day's mail to the Porte with a strong recommendation to communicate them officially to the Powers without delay and to invite their co-operation. The Porte has been informed that these proposals afford the only way out of the present difficulties, and that the matter is one of the gravest urgency.

I hope that the Foreign Office may see its way to reinforce the proposals wherever this may seem to be desirable. My hope is that in the form in which I have submitted them we shall secure practically all the advantages of direct control, and I am anxious that English influence should be more or less predominant in pressing on the proposals of reforms suggested.

Yours, &c.
R. F. CRAWFORD.

But in article 28 of the new draft—article 29 of the previous draft—the following paragraphs 2, 3, and 4 were inserted:—

"Un an avant l'expiration de la septième et quatorzième année, chacune des hautes parties contractantes aura la faculté de notifier à l'autre si elle a l'intention de reviser ce traité afin d'y introduire d'un commun accord certaines modifications démontrées nécessaires par l'expérience.

"Dans le cas où cette modification ou cet accord n'aurait pas eu lieu, il demeure entendu que le traité existant continuera à rester en vigueur.

"Il est entendu que la clause 3 de cet article ne privera aucune des hautes parties contractantes des droits qui pourraient lui être acquis au moment de la signature du présent traité."

In transmitting this draft to Sir N. O'Conor for eventual communication to the Turkish delegates, Lord Lansdowne wished Sir N. O'Conor to consider whether the last paragraph could not be omitted, as the rights of Great Britain under the Capitulations appeared to be fully secured by the terms of article 1. (To Sir N. O'Conor, No. 117, Commercial, November 12, 1901.)

In his reply Sir N. O'Conor considered that the paragraph in question, which was introduced in the course of the French negotiations, was not without its use, as confirming all existing rights, whether derived from the Capitulations or from any other source. He therefore retained it in the draft which was to be communicated. (Sir N. O'Conor, No. 9, Commercial, January 26, 1902.)

Several modifications were introduced at the instance of the India Office and the Colonial Office, but, as far as I can discover, the draft treaty has not been submitted to the Turkish delegates.

Although we maintained the perpetuity of the Capitulations by which Turkey is precluded from imposing new duties on goods from capitulatory countries without their consent, yet, in accordance with arrangements made in 1883, the import duties were fixed at 8 per cent.

On the 18th May of that year Mr. Wyndham reported that the Turkish Foreign Minister, in spite of his previous assurances that the tariff under the Treaty of 1861 would continue until the 30th September, 1883, announced in a note of the 17th May that the Porte had decided from that date to levy duties at the rate of 8 per cent. *ad valorem* upon goods imported into Turkey "until a new order of things shall have been established." (Mr. Wyndham, No. 112, Commercial, May 18, 1883.)

Mr. Wyndham protested, and demanded a revocation of the order (No. 126, Commercial, May 22, 1883), but, as he received no protest against the proposal from British merchants he did not send in a note which he had prepared on the subject. (No. 134, Commercial, May 29, 1883.)

Lord Granville approved his action, and informed him that, if it was quite clear that the British merchants in the Ottoman dominions did not object to the 8 per cent. tax, he was authorised to accept the arrangement in question. (To Mr. Wyndham, No. 76, Commercial, June 5, 1883.)

Mr. Wyndham accordingly addressed a note to Aarifi Pasha in the following terms:—

"I now beg to inform your Highness that I am authorised by Lord Granville to accept the arrangement therein set forth" (*i.e.*, in the note of the 17th May) "while making a reserve as to the manner in which the Imperial Government introduce the measure in question, as being in direct contradiction of the previous declarations made by the Sublime Porte to Her Majesty's Embassy on the subject." (Mr. Wyndham, No. 144, Commercial, June 15, 1883.)

In 1907 a surtax of 3 per cent. was conceded, to remain in force, subject to certain conditions, until 1914. (Annual Report, Turkey, 1907, Confidential 9196, p. 3.)

R. W. BRANT.

Foreign Office, June 18, 1913.

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[27973] No. 414.

India Office to Foreign Office.—(*Received June* 19.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of telegraphic correspondence regarding Koweit.

India Office, June 18, 1913.

Enclosure 1 in No. 414.

The Marquess of Crewe to Government of India.

(Telegraphic.) P. *India Office, June* 9, 1913.

THE Persian Gulf Convention has now been accepted by the Turkish Government on condition that a clause is added that provides for extradition from Koweit, since otherwise the place might become an asylum for criminals. Please let me have your views by telegraph at the earliest possible date. Such an arrangement, emphasising as it does the sheikh's autonomy, should be acceptable to him. I assume that it would be a reciprocal one.

(Repeated to Bushire.)

Enclosure 2 in No. 414.

From Resident, Bushire, to Government of India.

(Telegraphic.) P. *June* 10, 1913.

KOWEIT.

With reference with the telegram of the 9th June from the Secretary of State, I beg to be enlightened further upon the provisions of the extradition clause that is proposed. It would be convenient to have the text if possible. Is it the aim of the Porte to secure the right of calling upon the Sheikh of Koweit to extradite any Turkish subject, or a nominal Turkish subject such as Bin Saud?

(Repeated to Secretary of State.)

Enclosure 3 in No. 414.

The Marquess of Crewe to Government of India.

(Secret.) *India Office, June* 17, 1913.

COX'S telegram, 10th June: Koweit extradition.

After discussion with Wilson, following alternatives are suggested by Foreign Office:—

1. His Majesty's Government will use their good offices to prevent Koweit becoming aplace of refuge for criminals of Turkish nationality.

2. His Majesty's Government will use their good offices to ensure that Turkish criminals and bad characters shall not be received in the territory of Koweit, and, if found, shall be expelled therefrom. Similarly Koweit criminals and bad characters shall not be received in Turkish territory, and, if found, shall be expelled therefrom.

The second has the advantage of being reciprocal.

(Repeated to Resident, Bushire.)

[28100] No. 415.

Admiralty to Foreign Office.—(*Received June* 19.)

Admiralty, June 19, 1913.

Sir,

I AM commanded by my Lords Commissioners of the Admiralty to forward to you the accompanying copy of a letter, dated 18th instant, which has been sent from this Office to the Under-Secretary of State, India Office, relative to participation of Government of India in "forward contracts" for fuel oil.

I am, &c.

W. GRAHAM GREENE.

Enclosure in No. 415.

Admiralty to India Office.

Admiralty, June 18, 1913.

Sir,

I AM commanded by my Lords Commissioners of the Admiralty to acquaint you with reference to India Office letter of the 24th May that they note with much satisfaction that all the present indications and calculations are favourable to the use of oil fuel on certain of the Indian Government railways.

2. My Lords are proceeding with the question of the possibility of entering into a contract with the Anglo-Persian Oil Company for supplies of oil for the naval service over a long term of years. The option of an increase of quantity within two years of the signing of the contract which the company have offered would, no doubt, enable due provision to be made by the company for supplies to India of 200,000 tons a-year, in the event of the Admiralty not desiring, as seems probable, to draw so much in normal circumstances from that one source of supply as the maximum of 500,000 tons proposed by the company.

3. The contingency has to be faced, however, that some difficulty may arise to prevent the Admiralty from concluding the contract in view of the novel proposal, which needs much consideration, that an advance shall be made year by year thereunder of a certain portion of the cost of the oil, and that the Admiralty shall take the risk of oil being forthcoming in sufficient quantities to repay the amount advanced. My Lords understand that if the Admiralty are ultimately unable to make a contract on those terms the company will have no option but to submit to absorption into a large combination, who would provide the necessary capital for development, but who would not be prepared to offer the favourable prices now available. This would obviously lead to a corresponding material increase in the price tendered by the company for deliveries to Karachi for the Indian railways, and in that case the basis on which the present favourable calculations are made would be upset.

4. My Lords desire accordingly to suggest to the Secretary of State for India in Council whether this contingency should not be at once represented confidentially by cable to the Indian Government with a view to considering whether, in those circumstances, an immediate decision might not be arrived at on the basis of the wide experience already available as to oil-driven locomotives in many countries and the existing data as to relative cost of oil and coal, and consequently, on that decision, whether steps should not be taken to secure supplies at the prices now offered by means of an Indian Government guarantee of interest for a term of years on the new capital which the company finds it necessary to raise.

5. Mr. Greenway, the managing director of the company, has stated that a guarantee of 4 per cent. interest by the Indian Government for a period of ten years on 2,000,000*l.* of capital would meet the case.

6. The outside liability would thus be, at the worst, about 800,000*l.*, as compared with a possible risk of 2,000,000*l.* if the Admiralty proceed purely on the lines of contract advances over twenty years. It would appear, therefore, that it is greatly to the mutual advantage of Imperial and Indian interests to proceed on the basis suggested, with a *pro rata* share in the risk involved. As a matter of principle, the Admiralty could not expect India to take a risk in this matter for naval interests, and conversely the Admiralty could not embark upon heavy liabilities, and give India the full benefit of cheap oil and other possible collateral advantages. These advantages would include the freer competition of suppliers of oil products in Indian markets, as well as the

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preservation of the independence of a British company working in Persia, to which it is understood that the Indian Government attaches importance, also in relation to possible oil developments in Baluchistan.

7. If the guarantee were given by the Indian Government it would be a matter for consideration and arrangement by what detailed method the cost should be divided, proportionately to the interests at stake, between Indian and Imperial funds in respect of any such payments of interest as might be made, and ultimately fail to be recoverable, in a reasonable agreed time by deduction from sums due by the Admiralty or India in respect of oil actually delivered under their respective contracts.

8. My Lords will be glad if Lord Crewe can see his way to cause this urgent and important matter to be considered in the light of these remarks, and a decision communicated at as early a date as possible, as it may not be practicable to hold open the negotiations.

I am, &c.
W. GRAHAM GREENE

[28134] No. 416.

Sir G. Lowther to Sir Edward Grey. —(*Received June* 10.)

(No. 288.)
(Telegraphic.) *Constantinople, June* 19, 1913.

MY telegram No. 284 of 17th June.

Following from consul at Basra yesterday, No. 49:—

"My telegram No. 48.

"Vali replied that he knew nothing about the hiring of houses or commandant's action in the matter, but remarked that people were at liberty to come and go here as they liked.

"A house has been purchased in Basra by Ajeymi's friends. Certain relatives of the sheikh whom he robbed, as reported in my despatch No. 50 of last year, have also arrived, and the armed partisans of both sides circulate freely in the town.

"Under these circumstances it seems highly imprudent for local authorities to ignore situation or do anything to aggravate it. According to my information, commandant's conduct is reprehensible, though difficult to prove, and he seems to be at the bottom of the mischief. Vali appears to take no steps to control the situation, though military authorities have ample force at their disposal.

"I hear that Taleb Bey, whose life is threatened, will leave by mail 21st June for Bombay. This will probably clear the air. Sheikhs of Koweit and Mohammerah advise him to go."

[28269] No. 417.

Sir Edward Grey to Sir G. Lowther.

(No. 269.)
(Telegraphic.) *Foreign Office, June* 19, 1913.

FRENCH Ambassador has communicated telegram from French Government stating that, as it is to be feared that drafting of reforms for Armenia will take some time, and that massacres may take place in the six vilayets after the demobilisation of the Turkish army, the six Powers should make a collective representation at Constantinople with a view to secure the immediate appointment by the Sultan of an Imperial High Commissioner with the more extended powers to go to Armenia to maintain order and be responsible for the security of the country.

The High Commissioner's mission would be temporary and exceptional, and his mandate limited to the maintenance of order and security. The programme of reforms to be applied to Armenia would remain quite distinct from this mission.

I have told M. Cambon that I will support this proposal if it is made to all the Powers, and you may join your five colleagues in this representation if they are all instructed to make it.

(Repeated to St. Petersburgh, No. 463; Berlin, No. 217; Vienna, No. 185; Rome, No. 186; and Paris, No. 292.)

[27302] No. 418.

Sir Edward Grey to Count Benckendorff.

SIR E. GREY presents his compliments to the Russian Ambassador and has the honour to acknowledge the receipt of his Excellency's communication of the 14th June, respecting the Turco-Persian frontier between Hawizeh and the Persian Gulf.

Sir E. Grey has, in view of the communications which took place between His Majesty's Government and the Russian Government in April and July 1912, read Count Benckendorff's memorandum with considerable surprise.

On the 11th April, 1912, Sir E. Grey telegraphed to His Majesty's Ambassador at St. Petersburgh as follows:—

"Having regard to the wording of article 2 of the Treaty of Erzeroum, His Majesty's Government are inclined to think that nothing more can be claimed on the Shatt-el-Arab for Persia than freedom of navigation, Turkey having taken great pains to assert her right of ownership over the entire waters of that river, while conceding such freedom.

"From the sea to where the mediating commissioners' line strikes off from the Shatt-el-Arab, I do not think, therefore, that a frontier more advantageous to Persia than the mediating commissioners' line could be successfully claimed against Turkey."

On the 16th April, 1912, Sir G. Buchanan reported that he had seen the Russian Minister for Foreign Affairs, that his Excellency concurred in the views of His Majesty's Government, and that he would instruct the Russian Ambassador at Constantinople to support Sir G. Lowther in regard to the frontier His Majesty's Government had indicated to the Russian Government from Hawizeh to the sea.

As His Majesty's Government were careful to obtain the concurrence of the Russian Government in the line suggested at an early stage of the negotiations, and as that line is more advantageous to Persia than the one allotted by the mediating commissioners in 1851, to which Persia then acceded, His Majesty's Government are at a loss to understand why any exception on the part of any party should be raised to it at this late period, when it has been placed before the Turkish Government for nearly ten months. The present declaration to be made by Turkey in no way invalidates or supersedes that clause of the Treaty of Erzeroum which secures the right of navigation to the Karun viâ the Shatt-el-Arab, and Sir E. Grey feels confident that the draft convention, already communicated to the Russian Ambassador in its latest form contains adequate guarantees, certainly in excess of any which have hitherto existed, for international navigation on the Shatt-el-Arab.

Sir E. Grey hopes that the Russian Government will not now raise any difficulty in regard to the proposed arrangements for the Shatt-el-Arab. Those arrangements were communicated to the Russian Government several months ago; and Sir E. Grey was under the distinct impression that the Russian Government would support His Majesty's Government in regard to the southern frontier in which, by reason of long-standing association, of services rendered to navigation in general, and of the magnitude of their commercial interests, they are particularly interested, and he similarly undertook to afford the Russian Government the full diplomatic support of His Majesty's Government in regard to the northern part of the frontier, which appears now to be on the eve of settlement in accordance with Russian views.

Foreign Office, June 19, 1913.

[28269] No. 419.

Note communicated by M. Cambon, June 20, 1913.

COMME il est à craindre que l'étude des réformes pour l'Arménie prenne un certain temps et que des massacres se produisent dans les six vilayets après la démobilisation de l'armée turque, il serait opportun que les six Puissances fissent à Constantinople une démarche collective pour que le Sultan désigne sans délai un Haut-Commissaire Impérial, muni des pouvoirs les plus larges, en vue de maintenir l'ordre en Arménie, où il se rendrait et veillerait sur place, sous sa propre responsabilité, à la sécurité du pays.

La mission de ce Haut-Commissaire serait temporaire et aurait un caractère

exceptionnel. Son mandat serait strictement limité au maintien de l'ordre et de la sécurité. Le programme des réformes à adopter pour l'Arménie resterait complètement distinct de cette mission, qui ne l'affecterait en rien.

Ambassade de France, Londres,
le 16 juin, 1913.

[28267] No. 420.

India Office to Foreign Office.—(Received June 20.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 19th June, 1913, regarding the Turks and El Katr.

India Office, June 20, 1913.

Enclosure in No. 420.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *June 19, 1913.*

THE following telegram from the consul at Basra has been transmitted to me through the Resident, Bushire:—

"Information has reached me that the military authorities at Bagdad have received from the military authorities at Basra an advice of the despatch to Katr, on the 17th June, of an officer and fifty-seven soldiers by the Arab steamship 'Bedri.'"

Whether this force is sent as an addition to the Turkish garrison in El Katr or as a relief is uncertain, but, in any case, it seems undesirable to despatch troops there at the present time, the withdrawal of troops from Katr being provided for in the agreement.

[28201] No. 421.

Sir G. Lowther to Sir Edward Grey.—(Received June 20.)

(No. 289. Confidential.)
(Telegraphic.) *Constantinople, June 20, 1913.*

YOUR telegram No. 260 of the 13th June.

From enquiries it would appear that, as National Bank, unlike the Ottoman Bank and other banking establishments here, has not so far taken a keen interest in purely commercial business, its withdrawal would not be greatly felt by traders with England or general public, while recent appointment of an Englishman as Director of Ottoman Bank here gives that institution a more directly British colouring than before.

As regards our endeavouring to induce some other British banking firms to take their place, such a course would appear to entail a responsibility on His Majesty's Government, and, in view of prevailing state of unrest in Turkey, would, I am advised, be inadvisable at present juncture. If, later on, some British firm takes initiative, case would be different.

As regards British enterprise in Mesopotamia, which is more proper British sphere, services of Eastern Bank, an English institution already established at Bagdad, would presumably be available.

[27953] No. 422.

Sir Edward Grey to Mr. Carnegie.

(No. 246.)
(Telegraphic.) *Foreign Office, June 20, 1913.*

MY telegram No. 468 of 20th June to Sir G. Buchanan: Reforms in Asiatic Turkey.

Please ask Minister for Foreign Affairs to send similar instructions.

[28269] No. 423.

Sir Edward Grey to Sir G. Buchanan.

(No. 465.)
(Telegraphic.) *Foreign Office, June 20, 1913.*

MY telegram No. 269 of 20th June to Sir G. Lowther: High Commissioner for Armenia.

You should inform Russian Government of our attitude.

[27953] No. 424.

Sir Edward Grey to Sir G. Buchanan.

(No. 468.)
(Telegraphic.) *Foreign Office, June 20, 1913.*

SIR G. LOWTHER'S telegram No. 286 of 18th June: Reforms in Asiatic Turkey.

Please propose to Minister for Foreign Affairs that he should instruct Russian Ambassador at Constantinople to invite his five colleagues to meet and discuss a project based on that of 1895. It would be undesirable that the three Ambassadors should present to their colleagues a draft project as being one already finally settled by them, as it might complicate matters, create misunderstandings, and provoke rival suggestions. But as Russia has taken the initiative Russian Ambassador might himself propose the draft for general discussion.

(Repeated to Paris, No. 245; and Constantinople (for information only), No. 272.)

[29168] No. 425.

Minute by Sir A. Nicolson.

Sir E. Grey,

COUNT BENCKENDORFF showed me a telegram to-day stating that the Russian Government, in reply to the French proposal regarding the appointment of a High Commissioner for Armenia, have said that they think that the idea should in the first place be examined by the three representatives at Constantinople. The Russian Government really doubt if the proposal is a practical one, and the experience of Chakri Pasha's nomination is not encouraging (I am afraid I have forgotten this event). Moreover, it is a half measure, which Turkey would accept and then find excuses for not doing anything further.

A. N.

Foreign Office, June 20, 1913.

[28326] No. 426.

Sir G. Lowther to Sir Edward Grey.—(Received June 21.)

(No. 533.)
Sir, *Constantinople, June 17, 1913.*

WITH reference to my telegram No. 267 of the 7th instant, I have the honour to forward herewith a despatch from His Majesty's consul at Basra relative to the occupation of Hassa.

I have, &c.
GERARD LOWTHER.

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Enclosure in No. 426.

Consul Crow to Sir G. Lowther.

(No. 30.)

Basra, May 18, 1913.

Sir,

I HAVE the honour to report that the firman of the new vali was read at the serai without incident on the 10th instant. Ajeymi-bin-Sadun has arrived at Shaiba, about an hour's distance from Basra. He asked the vali to meet him there, and said he had something to say which he could not communicate in writing. The vali despatched the mudir of police and a few gendarmes to receive the message. Ajeymi is reported to have told the mudir of police that he had been instructed to come to Basra by the inspector of gendarmerie (Lutfi Bey) who had recently visited Nasiyeh. He handed the mudir a letter for the vali. The Minister of the Interior has telegraphed to Seyyid Talib Bey thanking him for the information he has given respecting Ajeymi's movements, and expressing the hope that the latter would be induced to go away peaceably. I am informed that the authorities are endeavouring to persuade Ajeymi by amicable means to return to Muntefic, as they have not sufficient force at their command to coerce him. He has promised to do so, but is, I hear, still in the near neighbourhood with a following of 1,500 Arabs. The vali, I am informed, suggested that Ajeymi should be given a decoration of some sort and a fixed allowance as an inducement to good behaviour. The Arab notables, however, objected to this, observing that his professed loyalty to Government would be better shown by his returning to Muntefic than by remaining in the neighbourhood of Basra with so large a following. They considered his present attitude was a distinct menace to the town.

On the evening of the 17th instant I was invited with the commander and officers of the "Alert" to dine at Seyyid Talib Bey's house. On our arrival I found him engaged with correspondence received that evening by the slow mail from Bin Saoud, informing him that he had occupied Hassa, and was sending the mutessarif, civil officials, and garrisons with their arms to Basra, and stating that he had given them £T. 300 for the journey. The letter conveying this intelligence, so Talib Bey informed me, contained expressions of loyalty to the Sultan, but complained of the mismanagement of Hassa affairs by the Turkish officials and the non-payment of the allowance previously granted him by Government. I was given to understand that Bin Saoud expressed the opinion that, as the population of Hassa consisted of Arabs under his allegiance, the present situation was merely a return to the normal condition of affairs which had previously existed there. I was also told that a letter addressed to the vali was enclosed in Seyyid Talib Bey's correspondence, and that Bin Saoud described himself in this letter as an obedient servant of the Ottoman Government; the delivery of the letter to the vali was left to Seyyid Talib Bey's discretion.

The occupation of Hassa by Bin Saoud would, in Seyyid Talib Bey's opinion, have a natural reflex action on the Arabs of Baghdad and Basra. He gave me no hint as to the possible result, and it would be premature at this juncture to anticipate its effect, but I should think the news would cause a profound and far-reaching impression. The report reached me in telegrams from the British Resident at Bushire on the 14th and 15th instant, which were immediately repeated to the embassy. I informed the vali the same night of the situation, of which he had heard rumours but had received no confirmed report. In informing him I expressed the hope that he would take all possible measures to preserve order here, and he replied that he was going his best in that direction.

Seyyid Talib Bey's house was strongly protected by a numerous armed Arab body-guard, who lined the approaches to the dwelling, and were massed on both sides of the corridors and vestibule through which we passed. One host stated that the Sheikh of Mohammerah had also sent him an Arab guard of fifty men for use in emergency. These extraordinary precautions seem to indicate that Seyyid Talib Bey is alarmed on personal grounds at the continued presence of Ajeymi in the vicinity of the town. During our visit three messengers (one the ex-deputy Abdullah Bey Zouair), whom Talib Bey had despatched to the vali concerning Ajeymi's equivocal attitude, returned, and Talib Bey announced to us that the vali was unwilling or unable to drive away the unwelcome visitor, and left our host discretion in the matter of using his local levies for the protection of the town. We heard no more on the subject, but after the departure of the messengers a number of armed Arab retainers entered the terrace where we were seated carrying their rifles and solemnly saluted Seyyid Talib Bey, each in turn kissing his hand and placing it on his forehead and again departing in subdued silence. The

demonstration may have been organised for our benefit, but it was certainly very impressive in its mediæval aspect and simple surroundings. I enquired the real cause for the general alarm shown at Ajeymi's presence, and Talib Bey replied that Ajeymi's predatory instincts might lead him to attempt a sudden raid with his horsemen by day or night on the town, where they would probably shoot down a few people in the streets, looting the bank or any houses and shops on their way, and retire again to the desert as speedily as they came. I understood from Talib Bey that he could muster a force of some 30,000 armed villagers in order to repel the raiders. He seemed prepared to do this, and there are frequent rumours that a summons has been sent round by his orders to collect his irregular forces.

Seyyid Talib Bey made several enquiries about the Turkish gunboat "Marmaris," which went to Bombay some months ago to dock and repair, and also about the cruiser "Hamidieh," which is reported to be coming to Basra. He was informed that as the "Marmaris" had been in Bombay so long, it was unlikely she would be able to leave until peace had been signed, and that as regards the voyage of the "Hamidieh" she would only obtain coal sufficient to take her to the nearest Turkish port in a British possession. I learnt from him that the notorious Jellal Bey, former Vali of Basra, who displayed sentiments very hostile to British interests in these parts, had succeeded Beki Pasha as Vali of Baghdad, and that the latter had either been dismissed or had resigned. He hinted that a considerable number of troops might shortly be sent from Baghdad to Basra, and said that the Committee of Union and Progress Government were apprehensive of the Arab unrest in the two vilayets.

I have, &c.
F. E. CROW.

[28327] No. 427.

Sir G. Lowther to Sir Edward Grey. (Received June 24.)

(No. 534.)

Sir, *Constantinople, June 17, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's consul at Basra, reporting on military movements and the Turkish account of the Hassa incident.

I have, &c.
GERARD LOWTHER

Enclosure in No. 427.

Consul Crow to Sir G. Lowther.

(No. 28.)

Sir, *Basra, May 23, 1913.*

I HAVE the honour to report the following items of military information:

One hundred and forty recruits from Baghdad and Basra proceeded to Kotchik by the Russian steamer "Vesta" on the 16th instant. Colonel Abdul Jabar with one other officer of the 112th regiment and ten deserters from the Hassa force, accompanying 120 cases of ammunition, proceeded by the British Indian steamer "Baroda" to Bahrein, on the 20th instant, *en route* for Hassa. Between 150 and 180 men of the Cadre Tabouri arrived on the 21st instant in the river steamer "Baghdad," from Amara, for service at Basra.

Hofuf, the capital of El Hassa, surrendered to Bin Saoud about the 4th instant, and Katif surrendered to him on the 15th instant. The steamship "John Ostbert" proceeded to Ojeir and Katif and embarked the Hassa garrison and returned to Bahrein on the 18th instant with 500 to 600 Turkish troops on board, according to a report received from the British Resident at Bushire, and with 300 men only according to the British India Company's agents. It is believed that the vessel will proceed to Basra shortly. The Hassa garrison last December consisted of 200 men of the 2nd battalion 112th regiment, 280 men of the Cadre Iolouki, and 150 men of the 3rd battalion 112th regiment.

The Mutessarif of Hassa, in a report dated the 30th April (13th May), states that Bin Saoud and his Arabs made a breach in the wall surrounding Hofuf and entered the town on the 22nd April (5th May). He asserts that the garrison held out at the barracks, and fought for twenty hours against the Arabs, and that the town and

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neighbouring villages were finally captured owing to the treachery of the inhabitants. Other reports, however, state that the town surrendered to the Arabs without opposition. The military commander of the force in Hassa, in a letter addressed to the commandant here states that Hassa has fallen, and the troops surrendered in order to save their lives.

The Minister of the Interior telegraphed that the Turkish cruiser "Hamidieh" has left Aden for Basra, and the Turkish consul at Bombay, in reply to enquiries as to when the "Marmaris" would return, is understood to have telegraphed to the commodore for 90,000 rupees (600*l.*), in order to pay the balance due for repairing the vessel, on receipt of which she would return to Basra.

On Tuesday night, the 20th instant, the Turkish authorities sent out gendarmes to intercept a private launch belonging to an Arab merchant, which was conveying certain respectable Arab sheikhs from the Euphrates to Basra, on the pretext that the launch was bringing arms. Several volleys were fired on the launch without any casualties, and a seyyid on board was struck and roughly handled and finally imprisoned by Ferid Bey, the divisional commandant, who was, I am assured, intoxicated at the time. Sheikh Mizel, of the El Hassan tribe, and three other sheikhs with him in the launch, evaded the gendarmes and reached Talib Bey's house in safety. The seyyid Bey was subsequently released at the instance of Talib Bey.

I have, &c.
F. E. CROW.

[28328] No. 428.

Sir G. Lowther to Sir Edward Grey.—(Received June 21.)

(No. 335.)
Sir, *Constantinople, June 16, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's consul-general at Smyrna reporting on arrests made at that port in connection with the assassination of the late Grand Vizier.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 428.

Consul-General Barnham to Sir G. Lowther.

(No. 49. Confidential.)
Sir, *Smyrna, June 14, 1913.*

I HAVE the honour to report to your Excellency that immediately subsequent to the news of the assassination of Mahmoud Shevket Pasha the Court Martial started making arrests among suspected malcontents, and that so far some twenty to thirty have been imprisoned.

I interviewed the vali on this subject, all the more so as one of those who feared arrest and its consequences had wished to take shelter in this consulate, while another, a Turkish merchant who mixed but little in politics, came to complain of the arrest of one of his clerks, according to him solely because of the latter's visit to Kiamil Pasha when he stayed at this consulate.

The Governor-General informed me that the police had overheard several men, all known to be *Ententistes*, who had openly boasted some ten days ago that within a week there would be good news from Constantinople and that dark days were in store for the Committee of Union and Progress.

The arrests, he continued, were therefore being made, with the approval of the central authorities, in the hope of finding out how far anyone here might be implicated in an anti-Committee movement.

He assured me that the proceedings were properly conducted, and that the heaviest punishment that would be inflicted would be an order to quit the country.

I have, &c.
HENRY D. BARNHAM.

[28291] No. 429.

India Office to Foreign Office.—(Received June 21.)

Sir, *India Office, June 20, 1913.*

WITH reference to your letter of the 18th June, I am directed by the Secretary of State for India to forward copy of a further telegram that has been received from the Government of India regarding overtures made by Ibn Saud.

Instructions in the sense desired by Sir E. Grey were issued to the Government of India, as he is aware, on the 10th instant, and I am to enclose draft of a further telegram which, with his concurrence, the Marquess of Crewe proposes to address to them.

I am, &c.
T. W. HOLDERNESS.

Enclosure 1 in No. 429.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *June 18, 1913.*

WITH reference to your telegram of the 11th instant, I have received the following from the Resident, Bushire, whom I have instructed to advise the sheikh to send a purely non-committal reply:—

"Please refer to India Office telegram dated the 11th instant. An envoy from Ibn Saud has reached the Residency Agent, Shargah, bringing a letter for him, and another for the Sheikh of Debai. In the letters he intimates that his forefathers' ancestral possessions, viz., Hasa and its dependencies, have been recovered without bloodshed, and that peace and public security have been established therein by him. It seems to him expedient that he should appriso them of the position. In the letter to the Sheikh of Debai he adds his conviction that his pleasure will be shared by the sheikh. Instructions are requested by the parties as to the nature of the answer they should send. It appears to me that the sheikh might return a colourless reply under cover of the Residency agent's own acknowledgment, and that Ibn Saud might be thanked for his courtesy in explaining the position to them. Please inform me whether you have any special instructions."

Enclosure 2 in No. 429.

Draft Telegram to the Government of India.

(Secret.)

YOUR telegram of the 18th instant: Ibn Saud.

Your instructions approved. Please see my telegram of the 10th instant.

Political officers should be instructed to hold as little communication as possible with him.

[28398] No. 430.

Board of Trade to Foreign Office.—(Received June 21.)

(Secret.)
Sir, *Board of Trade, June 20, 1913.*

WITH reference to your letter of the 22nd May and other correspondence relative to the Mesopotamian oil concession, I am directed by the Board of Trade to state, for Sir E. Grey's information, that, in consequence of informal inter-departmental communications, a conference was held at this office on Thursday, the 5th June, when in addition to representatives of this Department, the Foreign Office, and the Admiralty, Sir H. Babington Smith and Mr. C. Greenway were present on behalf of their respective groups.

At that conference emphasis was laid by the departmental representatives on the advisability of a combination of the two competing groups, and the probability that should such a combination not be realised the oil concession in question either would not

be granted by the Turkish Government or would fall into the hands of a third party. Sir H. Babington Smith and Mr. Greenway both recognised the force of these considerations, but a lengthy discussion failed to arrive at any basis for a combination which would be acceptable to both parties.

Mr. Greenway stated that his group attached most importance to securing for the Anglo-Persian Oil Company the marketing of the oil and other products; otherwise they feared that the marketing would be done by the Anglo-Saxon Petroleum Company, which is a member of the syndicate represented by Sir H. Babington Smith, and is already in competition with the Anglo-Persian Oil Company and endeavouring to force it into the international combination of which the Anglo-Saxon Company forms part. If the Anglo-Persian Company could, by a preliminary agreement, be assured of the marketing, Mr. Greenway's group would be prepared to take only 33⅓ per cent. in the proposed joint company; otherwise they must insist on such a holding as would give them control.

Sir H. Babington Smith's proposal was to the effect that his group should have a 75 per cent. share in the company to be formed, thus leaving only 25 per cent. to the group represented by Mr. Greenway, and that no arrangement whatever should be made as to the marketing of the output until the producing stage should be actually reached. He was not prepared to undertake, on behalf of the National Bank of Turkey, to support any claim by the Anglo-Persian Oil Company to the marketing, but held that the proposed company must be left entirely free to take whatever course it deemed likely to serve its interests best.

After various suggestions had been made as to possible ways of adjusting the claims of the two parties, it was decided that the conference could not carry the matter further for the time being, but Sir H. Babington Smith and Mr. Greenway undertook to discuss the matter between themselves in the light of the considerations urged and suggestions put forward at the conference. The Board of Trade were subsequently informed that Sir H. Babington Smith and Mr. Greenway had not found it possible to arrive at any agreement.

It appeared to the Board that, having regard to the reasonable claims and interests of both parties, an equitable arrangement might be reached on the basis of—

1. The apportionment of capital in a new company equally between the two groups claiming the concession; and

2. The apportionment of the output between the two groups, for marketing purposes, in approximately equal proportions with some allocation of markets.

This suggestion was conveyed to Mr. Greenway, who, in a letter dated the 12th June, accepted it in principle on behalf of his group, and made some detailed proposals as to its application.

The Board then caused the suggested basis of an arrangement to be communicated to Sir H. Babington Smith, with an intimation of their belief that it would be acceptable to Mr. Greenway. They are now in receipt of a letter from Sir H. Babington Smith stating that it is impossible for his group to accept an arrangement on the lines indicated.

Copy of the complete correspondence with the parties is enclosed.

I have, &c.

H. LLEWELLYN SMITH.

Enclosure 1 in No. 430.

Sir H. Babington Smith to Sir H. Llewellyn Smith.

My dear Llewellyn Smith, 50, *Cornhill, London, June* 10, 1913.

I HAVE discussed with our friends of the Deutsche Bank and the Anglo-Saxon Petroleum Company the position as it was left by our discussion at the Board of Trade on Thursday last.

We are all in agreement that it is impossible for us to enter into engagements now as to the marketing of products which, on the most favourable hypothesis, cannot be available till some five years hence. We know nothing as to the exact nature or as to the quantity of those products, if there are any, or as to the relations which will then exist between the various petroleum interests. We therefore consider that we must keep our hands free, and abstain from entering into any engagements as regards

marketing, whether with the Anglo-Persian Oil Company, the Anglo-Saxon Petroleum Company, or others.

Failing an arrangement regarding marketing, Mr. Greenway stipulated for a controlling interest in the combined group. This, naturally, we are not prepared to concede.

I have seen Mr. Greenway this afternoon, and have informed him of our conclusions. He tells me that he is unable to modify the proposals which he made, or to accept our proposal that Mr. D'Arcy's group should join ours, taking an interest of one-quarter in the whole concern.

I am very sorry that it appears to be impossible to arrive at any basis for combination which is acceptable to both sides, and I fear that, unless you have any further suggestions to make, the negotiation must be considered at an end.

I am, &c.

H. BABINGTON SMITH.

Enclosure 2 in No. 430.

Mr. Greenway to Sir H. Llewellyn Smith.

(Confidential.) *Winchester House, Old Broad Street, London,*
Dear Sir, *June* 11, 1913.

I SAW Sir Babington Smith last evening with reference to the subject of last week's conference, and he informed me that he had seen his Deutsche Bank and Anglo-Saxon associates and placed before them my proposals of last week, but that they both considered them altogether unacceptable.

He said that he had discussed with them very fully the question from every point of view, and that they had come to the conclusion that the only arrangement that would be acceptable to them would be the one he indicated at the conference, viz., that their group should be allowed a 75 per cent. participation in the proposed joint syndicate, and Mr. D'Arcy's group be content with the remaining 25 per cent.

He went on to say that if Mr. D'Arcy's group joined on this basis it was intended that the board of the proposed syndicate or company should keep a free hand in regard to the marketing of its products until such time as the syndicate or company arrived at a producing stage, and that the question of how the products should be disposed of would then be decided by the board in the best interests of the shareholders.

I repeated what I said at the conference as to the impracticability of our taking an interest in the proposed syndicate or company unless this point were first of all settled, and stated that we would not be prepared to invest capital in a scheme on this basis unless (1) the National Bank of Turkey were prepared to undertake to identify themselves with and support us in the control and management of the business, and (2) the National Bank and ourselves held between us not less than 60 per cent. of the capital and were allowed at least three-fifths of the representation on the board.

To accept a participation on any other basis would, I pointed out, mean that we should be merely investing money in a business in which we should have no control—a proposition which would offer no inducement whatever to us, and which would be quite opposed to the objects which we, as active producers of oil ourselves and representing purely British interests, have in view.

Sir Babington said that he quite appreciated our point of view, but that he regretted that his discussion with his associates offered no prospect whatever of any more favourable arrangement, and consequently it was agreed that no object would be served by further continuing our endeavours to find a basis for amalgamation which would be acceptable to both parties.

The proposal now made by Sir Babington Smith on behalf of his group is practically the same as, and certainly no better than, the one indicated by him to Sir Edward Grey several months ago, and the objections to it to-day are even stronger than they were then, because it has since been made abundantly clear—

1. That the members of this group are indissolubly bound together;
2. That the dominating influence in it is foreign; and
3. That the object of the dominant member is one of attack on the Anglo-Persian Oil Company.

In the circumstances I am desired by Mr. D'Arcy to express the hope that His Majesty's Government will continue to give their strongest support to his endeavours to

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induce the Turkish Government to fulfil their engagement to him, and indicate to them in the most emphatic manner possible that the granting of the concession to the German group, in breach of the undertaking given to him, would be regarded by His Majesty's Government with the gravest disfavour.

From a remark made by Sir Babington Smith, it would appear that he has had a recent interview with Hakki Pasha on the subject, and I would venture to suggest that it might be desirable to inform Hakki Pasha and also the Grand Vizier that in this matter the National Bank of Turkey's interests cannot, in view of the constitution of the group with which they are associated, be regarded as British. This is the more advisable inasmuch as it is probable that the Grand Vizier, when recently recommending an amalgamation of the rival interests, and suggesting the possibility of an arrangement whereby a controlling share might be secured by British interests, had in view some such arrangement as is now proposed by Sir Babington Smith, and that he is unaware of the fact that the National Bank's interest would, in effect, be purely foreign.

Yours faithfully,
C. GREENWAY.

Enclosure 3 in No. 430.

Mr. Greenway to Mr. Stanley.

(Confidential.) *Winchester House, Old Broad Street, London,*
Dear Sir, *June* 12, 1913.

WITH reference to my interview with you this morning, at which you informed me that Sir Babington Smith's group were now willing to concede to our group a 50 per cent. participation in the proposed joint syndicate or company, I have since discussed the matter with such of my colleagues as are at the moment available, and we are of opinion that, if His Majesty's Government consider it quite impossible to effect an arrangement whereby a preponderance of British interests can be absolutely assured, my group may be agreeable to an arrangement on the following lines:—

1. A syndicate or company to be formed in which the Deutsche Bank–National Bank–Anglo-Saxon group and our group should each have 50 per cent. of participation.

2. Each group to have equal representation on the board of such syndicate or company.

3. The British Government to have the right to nominate a representative on the board, who shall act as chairman and have a casting vote.

4. The syndicate or company to be worked as an entirely independent concern, but all arrangements for the marketing of its products to be entrusted to the two groups on the following basis:—

(*a.*) Oil fuel for all parts of the world by the D'Arcy group.
(*b.*) Benzine for all parts of the world by the National Bank group.
(*c.*) Kerosene, lubricating, and other heavy oils, wax, candles, &c., by—

(1.) The D'Arcy group for Turkey in Asia, Persia, India, Ceylon, Australia, New Zealand, South Africa, and East Coast Africa (excluding Red Sea).
(2.) The National Bank group in Red Sea, China, Japan, Europe, and rest of world.

5. That the local fields and refinery management shall be conducted by Messrs. Strick, Scott, and Co. (Limited), of Bagdad, Basra, and Mohammerah, who are already organised for the purpose.

The above proposals are of course, only tentative, as I have not yet had an opportunity of discussing them with all of my colleagues, but I think it probable that they would be agreed to if His Majesty's Government cannot see their way to any better arrangement.

Yours faithfully,
C. GREENWAY.

Enclosure 4 in No. 430.

Mr. Stanley to Mr. Greenway.

(Confidential.)
Dear Mr. Greenway, *Board of Trade, June* 13, 1913.

I AM much obliged to you for your letter of yesterday.

There is just one observation I should like to make upon it in order to prevent any misapprehension. I did not at our interview say that Sir H. Babington Smith's group were willing to concede your group a 50 per cent. participation in the proposed joint syndicate. I thought I made it clear that the Department, being desirous of reconciling the conflicting interests of the rival claimants, were disposed to suggest a settlement on this basis; that the suggestion was offered on our responsibility, and that Babington Smith had not yet been approached on the subject. Your acceptance of the suggestion will enable us to take a step further.

I note the proposals you make with regard to marketing products. May I enquire whether, if the question of participation can be satisfactorily arranged, your group would agree to an equal distribution of the products with a territorial preference as regards marketing, in the event of it being impossible to obtain agreement to your proposals?

Yours very truly,
GEO. J. STANLEY.

Enclosure 5 in No. 430.

Mr. Greenway to Mr. Stanley.

Winchester House, Old Broad Street, London,
Dear Mr. Stanley, *June* 13, 1913.

I AM in receipt of your letter of date, and note that I was mistaken in understanding you to say that Sir H. Babington Smith's group were willing to concede our group a 50 per cent. participation in the proposed joint syndicate, and that the suggestion was one that your Department proposed putting forward on their own responsibility.

The suggestion that we might agree to an equal distribution of products with a territorial preference as regards marketing is one that I am afraid we cannot agree to, as in practice it would involve complications which would be difficult, if not impossible, to overcome. The proposals which I have put forward would, so far as kerosene, heavy oils, &c., are concerned, in effect be the same as equal distribution with territorial preference, and so far as regards benzine and liquid fuel, one is a reasonable set-off against the other. Moreover, my proposals are better calculated to maintain the independence of our group, and consequently a continuance of competition.

Yours sincerely,
C. GREENWAY.

Enclosure 6 in No. 430.

Sir H. Llewellyn Smith to Sir H. Babington Smith.

My dear Babington Smith, *Board of Trade, June* 18, 1913.

SINCE the receipt of your letter of the 10th June we have continued to give the question of the Mesopotamian oil concession very careful consideration, and have had some communication with Mr. Greenway about it. I have now reason to believe that we could persuade Mr. Greenway to accept an arrangement on the lines of—

1. The apportionment of capital in the concession company equally between the two groups; and
2. The apportionment of the output between the two groups for marketing purposes either by the allocation to each group of particular products, or by a geographical division of markets, or by a combination of these methods.

I should be glad to learn as soon as possible whether you think your group would be willing to consider such an arrangement in principle, in which event I will endeavour

at once, after discussion with Mr. Greenway, to put before you a concrete and detailed proposal for consideration.

I know the objection taken by your group to any arrangement as to marketing at the present stage, but I venture to hope that, in the circumstances, they will not persist in that objection, as I see no other way of removing the present deadlock.

I need hardly repeat what you probably know already—that unless the two groups can agree to some mutual arrangement the concession is practically certain not to be granted at all, or will fall into the hands of a third party, a result which we should all deplore.

Yours sincerely,
H. LLEWELLYN SMITH.

Enclosure 7 in No. 430.

Sir H. Babington Smith to Sir H. Llewellyn Smith.

My dear Llewellyn Smith, 50, *Cornhill, London, June* 19, 1913.

I HAVE received your letter of the 18th June on the Mesopotamia oil question.

I fear that it would be impossible for us to accept an arrangement on the lines which you mention. The Deutsche Bank, having stipulated for one-fourth share in the whole enterprise in return for rights and claims which they possessed, will not consent to any reduction of their portion. The result then would be that only one-fourth of the whole concern would remain for the National Bank of Turkey and the Anglo-Saxon Petroleum Company.

The second condition is, I fear, equally unacceptable for the reasons which I have already explained to you.

If this is Mr. Greenway's last word, we can only come to the conclusion that no arrangement is possible. In any case, as there is a third party in the field, we consider ourselves free to do anything that seems likely to protect our interests in the matter.

Yours sincerely,
H. BABINGTON SMITH.

Enclosure 8 in No. 430.

Board of Trade to Anglo-Persian Oil Company.

(Confidential.)

Sir, *Board of Trade, June* 20, 1913.

WITH reference to your letters of the 12th and 13th June, relative to the Mesopotamian oil concession, I am directed by the Board of Trade to inform you that they are now in receipt of a letter from Sir H. Babington Smith stating that an arrangement on the lines suggested at my interview with you on the 12th June would not be acceptable to the group which he represents.

In the circumstances the Board are of opinion that no useful purpose would be served by further efforts on their part to bring about an agreement between the groups represented by yourself and Sir H. Babington Smith respectively, and they have informed the Secretary of State for Foreign Affairs accordingly.

I am, &c.
GEO. J. STANLEY.

[28421] No. 431.

Euphrates and Tigris Steam Navigation Company to Foreign Office.—(Received June 21.)

3, Salters' Hall Court, Cannon Street, London,

Sir, *June* 20, 1913.

I HAVE the honour to enclose a copy of our letter of to-day's date addressed to the Board of Trade.

My board has been animated by a sincere desire to meet the views of the Secretary of State, as expressed in the memorandum of the 19th May, and to find some way of

safeguarding the vital interests of this company, while not running counter to the realisation of those views. But the communication of the negotiations to the prospective concessionnaire has seriously compromised the situation, and it would appear that we are unlikely to receive satisfaction on the lines that have been laid down.

Under these circumstances my board trusts that you may be willing to discuss the matter further with us. At the same time, I am to state that the impression which we have received is that the appointment of someone from outside to be the concessionnaire of the new company will be likely to produce an effect upon public opinion the reverse of that which you have informed us is the object of this appointment.

If that be the case we are quite at a loss to know for what reason this third party is being substituted for ourselves in the formation of the new Ottoman company. For years past we have been negotiating with the Turkish Government, at your instance, for the creation of such a company under our control. Yet, when the moment becomes favourable for getting the company formed, we are thrust upon one side in favour of a third party. It cannot surely be said that we have been instrumental in introducing German interests to the navigation of these rivers. Germany possessed powers under the Bagdad Railway Convention of placing steamers on the Euphrates and Tigris for the transport of railway material. Had we not stepped in, such German-owned vessels would now be plying on these waters. We succeeded in obtaining half this interest for Great Britain, and all the steamers ordered and now plying for this special purpose have been constructed in British yards under our supervision. We kept His Majesty's Government fully informed of this transaction. We have submitted everything that has come from the German side to His Majesty's Government, being most careful not to commit ourselves in any way without the express sanction of our own Foreign Office. And we have always contended for the maintenance upon these waters of the British flag and of the British company as part of any completely satisfactory solution.

On the other hand, we have no desire to conceal our regret, based upon a long experience of the exigencies of the situation as a whole, that a solution cannot be found under which British and German interests in Mesopotamia may be combined in common enterprises rather than separated in distinct undertakings. The railway from the Mediterranean to Bagdad is probably now destined to remain German; but British participation in any line that may be built south of Bagdad, and in the branch lines centring in Bagdad, and German participation in the navigation of the great waterways might, we still venture to believe, be taken as the basis of a general settlement. If not, we greatly fear that German and British interests, divided into watertight compartments, will not only seek to prejudice one another, but will operate to the prejudice of the economic interests of Turkey. The German railway interest will work against the British navigation interest. When proposals for irrigation come up for serious discussion, German interests will range themselves on the side of cheap schemes, resulting in the destruction of the navigation and in the building of a fresh crop of railways. This would be obviated if the maintenance of the navigation were made a joint British and German interest. Rivalry between these interests might suit the diplomacy of certain other Powers; but it would scarcely seem in consonance with the aims of British diplomacy or likely to subserve the best interests of Turkey, which would far rather be promoted by a close and harmonious union of the two greatest commercial forces in these provinces of the Ottoman Empire.

I have, &c.
FRED. W. PARRY, *Secretary.*

Enclosure in No. 431.

Euphrates and Tigris Steam Navigation Company to Board of Trade.

3, Salters' Hall Court, Cannon Street, London,

Sir, *June* 20, 1913.

I HAVE the honour to acknowledge the receipt of your letter of the 14th instant with respect to the arrangements under contemplation for the future of the navigation of the Euphrates and Tigris.

I. In reply I am to state that, when the memorandum of the Secretary of State was handed to our chairman on the 19th May during the course of an interview accorded to him and myself at the Foreign Office, it was verbally explained to us that, subject to the control of the new Ottoman company being vested in an outside

concessionnaire, there was the strongest disposition on the part of our Foreign Office to meet our own requirements in the constitution of the new company. But, it was added, the Foreign Office did not feel itself competent to discuss the business side of the question with us. It had therefore placed that side in the hands of the Board of Trade, which in its turn could be assisted by the best expert advice from outside. At this and at a subsequent interview accorded to our chairman at the Foreign Office on the 21st May, we were informed that the question of who the concessionnaire shall be was under consideration; that certain names had been placed before the Secretary of State by the Board of Trade. We were urged to accept the memorandum of the Secretary of State as a basis for negotiation, and to lose no time in the endeavour to make it amenable to our interests by "hammering out" a reasonable agreement with the Board of Trade, which was fully competent to deal with the question. It was under these circumstances that our chairman sent to Mr. Parker at the Foreign Office his confidential memorandum of the 21st May, under cover of a letter requesting that nothing should be said to a prospective concessionnaire until we had ascertained whether it would be possible to "hammer out" an arrangement, on the basis of the Secretary of State's proposals, which would effectually safeguard the interests of this company. Our chairman gave strong verbal expression to his personal doubts as to the feasibility of such an arrangement on that basis. The proposal was that this company should be restricted in the future to the use of three steamers only and a reserve steamer, while arrangements were to be "hammered out" under which, for a period of sixty years, it was to be enabled to live and prosper alongside of a new Ottoman Company under British control which, subject to our three steamers, was to be invested with exclusive rights of navigation and with the fullest powers of expansion. It was therefore agreed that our chairman's memorandum of the 21st May should be regarded as quite non-committal and tentative. In pursuance of this course of procedure, I myself called at the Board of Trade and put forward certain suggestions which might form a basis for subsequent discussions, to be held upon the return of Sir Hubert Llewellyn Smith. I had no idea that these suggestions would be communicated to a concessionnaire, or, indeed, that any of the detailed information for which you asked on this and on previous occasions would go beyond ourselves. I respectfully submit that I was the more fully justified in this attitude in view of the understanding indicated in the eleventh paragraph of our chairman's memorandum of the 6th May, which, I understand, was submitted to you and accepted as correct, and also in view of the purely tentative nature of the discussions which I had been instructed to commence.

2. My board has learnt subsequently that the concessionnaire had already been chosen when the Secretary of State's memorandum of the 19th May was handed to us, and that he had been kept in close touch with the negotiations. And since the interview which I was accorded at the Board of Trade on the 26th May we have been informed by Sir Hubert Llewellyn Smith that the Board proposes to confine itself to the part of an intermediary between the concessionnaire and ourselves.

You will recognise that this creates for us a new situation, especially in view of the fact that you rule out certain of our proposals on the ground that "they have already been rejected by the concessionnaire." It appears to us that the concessionnaire has been placed in a position to dictate his own terms, and we cannot therefore see that any useful purpose would be served by a meeting with him as matters now stand. You inform us further that our proposals as regards representation on the board of the new company and participation in the local management go beyond the scope of the Secretary of State's memorandum of the 19th May. With great respect we cannot see how they do. The casting vote, and therefore the control, would remain in the hands of the concessionnaire, and there is nothing in the Secretary of State's memorandum to exclude us from participation in the local management. The concessionnaire would of course prefer that his own firm should be enabled to extend itself from the seaboard to the interior, supported by the emoluments of the local management. It would mean to his firm a very large increase in the windfall which has come their way. We can fully understand his rejecting our proposals under this head. But for us participation in the local management and strong representation on the board are not merely material aims; they are essential safeguards. Unless we can be given a strong voice in the direction and management of the new company we are better out of it altogether.

3. Failing an arrangement on these lines, we would beg to refer to the request contained in the concluding paragraph of our despatch of the 9th instant. We are not afraid of competition, but we claim to be placed in a position to meet it on equal terms. This company was originally formed to navigate the Euphrates and Tigris on lines

indicated in a despatch from the Foreign Office, wherein no mention was made of restrictions on the number of the steamers it might see fit to employ. The Turkish steamers, which it is now proposed to transfer to a new Ottoman company under British control and management, with exclusive rights of navigation for a period of sixty years, were not at that time in existence. If, for political reasons, His Majesty's Government now prefer to abandon the amalgamation scheme which, at the instance of our Government, we worked so hard to secure a year or two ago, and to keep this company in being, this company should either be placed in a position to deal in the future in its own vessels with its present proportion of the traffic, under a working arrangement with the concessionnaire of the new company, or, failing such an arrangement, no limit whatever should be placed on the number of steamers it may employ. We respectfully submit that this is a strictly reasonable request, though it may fall short of that share in the navigation of these waters which our past efforts may have entitled us to expect would be allotted to us on the present occasion.

I am, &c.

FRED. W. PARRY, *Secretary.*

Minute by Mr. Malkin.

I do not think that any legal points arise on this letter, but as I have been asked for my views as to Lynch's position I will give them. So far as I am aware, there are no contractual or other legal relations between Lynch and His Majesty's Government which give him any claim upon them, in the sense of a right which could be enforced in court.

Nor do I see that he has any moral claim. I should say, however, that I do not know anything of the matters referred to in the fourth paragraph of this letter. Whether these facts are accurately stated, and whether, if so, they give Lynch any right to more than the maintenance of his existing concession, can only be decided by persons more familiar with them than myself.

Apart from this, the position appears to me to be as follows:—Lynch holds a strictly limited concession for navigation. The question whether, when the company was formed, it was considered that it was so limited, is really now academic; the limitations have in practice been admitted for fifty years, and the Porte has shown more disposition to restrict than to extend them. Of late years Lynch has had to face the competition of an Ottoman company, unlimited as to its rights, and backed, I believe, to some extent by the Porte.

His Majesty's Government now offer to Lynch:—

(*a.*) The confirmation and a slight extension of his existing rights, so that they cannot in future be questioned by the Porte.

(*b.*) A considerable participation in, and a share in the direction of, a new company to be formed under British control to supersede the existing Ottoman company. The effect should be that there will be no cut-throat competition between the two companies, and the new company will not be able to squeeze Lynch out.

It seems to me obvious that the effect of this arrangement, if His Majesty's Government can secure its adoption, will be greatly to improve Lynch's position. He will not only have his existing rights secured, but will be in a much better position in regard to his competitor.

His complaint appears to be that his company will not get more than a certain amount of the expansion of trade. This is probably true, but he is no worse off than he was before. He was tied down to his limited number of steamers, and all the trade that he could not carry must be carried by the Ottoman company. Under the proposed arrangement he will have a friendly neighbour instead of a hostile one, and will get his share of its profits, besides the chance of more economical working resulting from co-operation.

The proposals made at the end of Lynch's letter to the Board of Trade could, so far as I can see, only be carried out either by (*a*) limiting the traffic, (*b*) an arrangement by which half the traffic should always be carried in Lynch's boats, and (*c*) increasing indefinitely the number of the boats which he is entitled to run. (*a*) is out of the question; (*b*) seems admirably calculated to cause congestion and prevent expansion of traffic; (*c*) would not be consented to by the Porte.

If Lynch remains obdurate, I do not see why His Majesty's Government would not be entitled to get the new company started, under their benevolent auspices, and

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leave Lynch to get along as best he can with his old concession, in which case he could hardly expect as much support from the Foreign Office as in the past. Possibly a hint of this might bring him to reason.

The above views are of course those of a mere layman in the matter, which seems to be one of business.

H. W. M.

Foreign Office, June 23, 1913.

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* This is practically the course I promised Lord Inchcape and Sir W. H. Smith that I would take if need be. Sir L. Mallet and Mr. Parker were, I think, present at the interview.

E. G.

Dear Mr. Parker, 33, *Pont Street, London, June* 27, 1913.

I hope to be in a position early next week to make a proposal which may greatly facilitate the solution of the question between us, and I would therefore express the hope that you may see your way to awaiting this before communicating with us further.

I am, &c.
H. F. B. LYNCH.

[28492] No. 432.

Sir G. Buchanan to Sir Edward Grey.—(*Received June* 21.)

(No. 227.)
(Telegraphic.) *St. Petersburgh, June* 21, 1913.

YOUR telegram No. 269 of 19th June to Constantinople.

Russian Minister for Foreign Affairs has informed M. Pichon that if he really thinks that appointment of High Commissioner will be of use he (Russian Minister for Foreign Affairs) will support proposal. But he has reminded the French Minister for Foreign Affairs that this expedient was tried on occasion of massacres in 1895, and was productive of no good results.

[27813] No. 433.

Sir Edward Grey to Sir G. Lowther.

(No. 273.)
(Telegraphic.) R. *Foreign Office, June* 21, 1913.

YOUR telegram No. 283 of 17th June: Arab movement at Basra.

I approve.

[28729] No. 434.

Sir Edward Grey to Sir G. Lowther.

(No. 274.)
(Telegraphic.) R. *Foreign Office, June* 21, 1913.

PLEASE telegraph saying if His Majesty's Embassy had any knowledge, and if so what, of the interest of the National Bank in Mesopotamian oil previous to the date of Mr. Marling's despatch of July 1912.

As Sir H. Babington Smith states that he frequently mentioned the subject during the preceding two years, and that he was unaware that D'Arcy was still interested in the Mesopotamian concession until he was so informed in the autumn of 1912, he makes a great point of this.

[28398] No. 435.

Foreign Office to Board of Trade.

(Confidential.)
Sir, *Foreign Office, June* 21, 1913.

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your secret letter of the 20th instant, reporting a failure in the negotiations for an arrangement between the National Bank group and the Anglo-Persian Oil Company in regard to the oilfields of Mesopotamia.

I am to state, in reply, that Sir E. Grey is so much impressed by the importance of reaching an agreement that he considers a further effort in this direction should be made, and he would be prepared to bring such pressure as may be possible to bear on the representatives of the National Bank group to agree to the following compromise if the Board of Trade consider that it would adequately secure British control: A company to be formed, and 52 per cent. of the share capital to be British controlled, 25 per cent. to represent the German interest, and 23 per cent. the interests of the Anglo-Saxon Company.

The Anglo-Saxon Company is, Sir E. Grey understands, composed partly of, though not controlled by, British shareholders.

Of the British interest in the proposed new company (52 per cent.), the Anglo-Persian Oil Company might have two-thirds (or approximately 34 per cent. of the whole), and the National Bank one-third (or approximately 17 per cent. of the whole).

As to marketing, Sir E. Grey would be prepared to urge the acceptance of Mr. Greenway's latest proposals.

Before considering this further, or entering into communication with the National Bank of Turkey on the subject, Sir E. Grey would like to know as soon as possible the views of the Board of Trade, and whether the compromise would be likely to be rejected by the Anglo-Persian Oil Company.

I am, &c.
LOUIS MALLET.

[28494] No. 436.

Sir G. Buchanan to Sir Edward Grey.—(*Received June* 22.)

(No. 229.)
(Telegraphic.) *St. Petersburgh, June* 21, 1913.

YOUR telegram No. 468 of 20th June.

Assistant Minister for Foreign Affairs said that Russian Government had never intended to put forward draft project of reforms, on which three Ambassadors were in agreement, as one approved by the Triple *Entente*, and that he would instruct Russian Ambassador to proceed as you had suggested.

[28503] No. 437.

Mr. Carnegie to Sir Edward Grey.—(*Received June* 22.)

[By Post.]

(No. 82.)
(Telegraphic.) *Paris, June* 21, 1913.

YOUR telegram No. 246 of 20th June: Armenian reforms.

Political Director told me this afternoon that, although he had not yet spoken to French Minister for Foreign Affairs on the subject, he could assure me that instructions would be sent to French Ambassador at St. Petersburgh similar to those contained in your telegram No. 498 of 20th June to Sir G. Buchanan.

[28490] No. 438.

Sir G. Lowther to Sir Edward Grey.—(Received June 22.)

(No. 291.)
(Telegraphic.) *Constantinople, June 22, 1913.*

FOLLOWING from consul at Basra:—

"'Marmaris' returned last night. Military commandant and Mutessarif of the Montific were assassinated on landing by Arabs.

"Population much alarmed, but town quiet so far."

[28553] No. 439.

Sir E. Goschen to Sir Edward Grey.—(Received June 23.)

(No. 226.)
Sir, *Berlin, June 17, 1913.*

WITH reference to my despatch No. 219 of the 12th instant, I have the honour to transmit herewith précis of an article in the "Frankfurter Zeitung" on the building programme of the Bagdad Railway.

I have, &c.
W. E. GOSCHEN.

Enclosure in No. 439.

Précis of Article in the "Frankfurter Zeitung" of June 10, 1913, on the Building Programme of the Bagdad Railway.

IN the annual report of the Bagdad Railway Company it was pointed out that the wars in which Turkey had been engaged had not been without effect on the progress of building operations. This statement appears to point to a retardation in the construction of the railway. Such a conclusion would find its support in the well-known fact that it has not been found possible, on account of the general political and financial situation, to raise the full amount of the capital required in the manner hitherto customary, and that the war necessarily caused a reduction in the supply of efficient workmen. Information which we have received on the subject shows, however, that hardly any reduction in building operations has taken place. In the first place, Messrs. Ph. Holzmann and Co., of Frankfurt-am-Main, who are conducting the work, still employ 300 persons on the construction of the Bagdad Railway. The line has been built as far as the Euphrates, with, however, three breaks, of which the most important is the passage of the Chakit Gorge, a section 19 kilom. in length in the east of the Taurus; another incompleted section is the passage of the Amanus. As the construction of the Chakit section involves great technical difficulties, and would entail considerable expenditure, it is proposed to postpone this work until more favourable times, and for the present merely to continue the electrical installation work on this section. It is also considered that since the settlement of the Alexandretta concession question the connection of the Bagdad Railway over the Taurus with the Anatolian Railway has become for the present of small importance for international traffic. Work is proceeding rapidly on the other incompleted sections, particularly on the Amanus passage, where a tunnel of 5 kilom. in length is to be constructed. We have also information from an authoritative source to the effect that the line is being continued as rapidly as possible beyond the Euphrates, and it is hoped to reach Harran, 110 kilom. from the Euphrates, on the 1st April, 1914, and to open the following section 100 kilom. in length, as far as Reis-ul-Ain by the middle of 1914. With regard to the last section, work is to be begun immediately from Bagdad for the present as far as Samarra. It is calculated that the final section, from Reis-ul-Ain to Bagdad, will be opened by about the middle of 1916, or perhaps even at the beginning of that year. With regard to the financial questions of the railway construction, which were referred to in the annual report, it may be observed that the present situation does not permit of Turkish securities, such as Bagdad Railway bonds, being placed to any great extent at a suitable price. Consequently, the administration will have to be content for the present with advances for the construction of the railway, which will probably be received from the Bank for Oriental Railways at Zürich.

[28570] No. 440.

Sir G. Lowther to Sir Edward Grey.—(Received June 23.)

(No. 540.)
Sir, *Constantinople, June 18, 1913.*

I HAVE the honour to forward herewith a despatch from His Majesty's consul at Erzeroum reporting on the movements of a certain Bahri Bey, who appears to be a pan-Islam propagandist.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 440.

Consul Monahan to Sir G. Lowther.

(No. 39.)
Sir, *Erzeroum, June 7, 1913.*

I HAVE the honour to report that I have received from His Majesty's vice-consul at Van the following information under date the 2nd instant:—

A certain Bahri Bey, who came to Van with the new Vali Tahsin Bey, has just got his passport *visé* by the Russian vice-consul at Van to go to Afghanistan and India viâ Russia. He appears to be a pan-Islam propagandist. He has a Turkish passport No. 474, dated the 10th April, 1913, given at Pera by Tahsin Bey, the then Governor of Pera.

I have, &c.
J. H. MONAHAN.

[28571] No. 441.

Sir G. Lowther to Sir Edward Grey.—(Received June 23.)

(No. 541.)
Sir, *Constantinople, June 18, 1913.*

WITH reference to my despatch No. 497 of the 4th instant, I have the honour to forward herewith a despatch from His Majesty's consul at Basra, enclosing further correspondence with Sheikh Falih-el-Benaiya.

I have, &c.
GERARD LOWTHER.

Enclosure 1 in No. 441.

Consul Crow to Sir G. Lowther.

(No. 32.)
Sir, *Basra, May 22, 1913.*

WITH reference to my telegram No. 36 of the 21st May, reporting a further communication from Sheikh Falih-el-Benaiya of the Beni Lam tribe, I have the honour to transmit herewith enclosed translation of his letter to me, dated the 19th May, and a copy of my reply, also in translation.

Captain King of the "Blosse Lynch," who received the letter from the hands of the sheikh at Amara, is personally acquainted with him, and there is now no doubt that the applicant is what he stated himself to be when he visited me in disguise last March.

As regards the telegram to which the sheikh refers in his letter, I would observe that it was merely an acknowledgment of the small sum of money which I had advanced him here for his daily expenses and those of his return journey to Amara, and was signed by a person unknown to me, and was addressed to my dragoman. As an answer was requested, and the message was prepaid, my dragoman replied that the money might be refunded at the sheikh's early convenience.

As regards the threat contained in the last paragraph of the letter, I presume it refers to the proposed action of the Beni Lam against Amara or Basra or the ships on the river, as reported in my telegram No. 12 of the 12th March and my despatch No. 16 of the 15th March last.

My dragoman informs me that the authorities here are preparing to enforce payment of taxes on the cattle of Sheikh Ghadban of the Beni Lam, the brother of Sheikh Falih-el-Benaiya. The garrison of Amara, according to my report of last December, consisted then of 250 men of the 113th regiment, 230 men of the Cadro bolouki, and 160 men of the hudoud bolouki. I hear that these numbers have been reduced by the despatch of two companies [*sic*] to Basra, and that the soldiers in fact arrived last night by the Turkish steamer. I am not yet in a position to estimate their numbers. Ferid Bey, the divisional commandant, stated, so I hear from a private source, that he has only 300 regulars between Basra and Fao, of whom only 100 are located at Basra. The contingent now arriving from Amara will, I presume, remain here to supplement his force.

As the hands of the authorities are full with Basra and Hassa affairs, it seems unlikely that they will be in a position to enforce any unpopular measures against the powerful tribe of Beni Lam at Amara unless they receive considerable reinforcements from Bagdad.

Under these circumstances Falih-el-Benaiya's threat has some significance.

I have, &c.
F. E. CROW.

Enclosure 2 in No. 441.

Sheikh Falih to Consul Crow.

(Translation.)
(After compliments.) *Amara, May* 19, 1913.

WHEN I came to your side I remained there as a dervish for ten days. I thank you very much for your kindness. Before I returned to my tribes I informed you about everything, and told you I was awaiting your reply, but until now I have received no reply. I telegraphed to you in the name of my servant and received the reply, but there was nothing in it of the matters which I wanted. Now I am waiting for your final orders, and I request you to send me a letter by the captain of the "Blosse Lynch," otherwise I will do as I informed you. This is what is necessary. Farewell.

SHEIKH FALIH-EL-BENAIYA.

Enclosure 3 in No. 441.

Consul Crow to Sheikh Falih.

(After compliments and enquiries after his health.)
Sir, *Basra, May* 21, 1913.

I HAVE the honour to acknowledge the receipt of your letter of the 19th May, and to state in reply that its contents are receiving attention.

F. E. CROW.

[28573] No. 442.

Sir G. Lowther to Sir Edward Grey.—(Received June 23.)

(No. 543. Confidential.)
Sir, *Constantinople, June* 18, 1913.

WITH reference to my despatch No. 504 of the 7th instant, I have the honour to forward herewith a despatch from His Majesty's consul-general at Beirout, transmitting the certificate confirming the powers of the delegates who recently left for the capitals of Europe.

I have, &c.
GERARD LOWTHER.

Enclosure 1 in No. 442.

Consul-General Cumberbatch to Sir G. Lowther.

(No. 49. Secret.)
Sir, *Beirout, June* 6, 1913.

I HAVE the honour to enclose herewith a certificate signed by the four principal Christian religious heads of Beirout, attesting to the representative powers of the gentlemen whose departure for Paris and other capitals was reported in my despatch No. 47 of the 30th May.

This document was handed to me to-day by the Greek Orthodox Metropolitan bishop and the Greek Catholic archbishop, with an urgent request that its contents may not be divulged to the Turkish Government in Constantinople or to its officials abroad, but that it may be transmitted to His Majesty's Secretary of State for Foreign Affairs, of whom it is the intention of the delegation to seek an interview in due course of time.

A similar document has been handed to my French colleague, and will probably be given to the consuls-general of the other Great Powers should occasion necessitate it, as I presume it will depend greatly on the nature of the reception of the delegates in London and Paris whether they will proceed to any other capital.

I have, &c.
H. A. CUMBERBATCH.

Enclosure 2 in No. 442.

Certificate.

LES soussignés, chefs des différentes communautés chrétiennes du vilayet de Beyrouth, certifient que MM. Sélim Ali Salam, Dr. Ayoub Tabet, Ahmed Monktar Beyhum, Albert Joseph Sursock, Cheik Ahmed Hassan Tabbarah, Khalil Zénié, composent la députation qui a reçu mandat exprès de se rendre en Europe, formuler les doléances de toute la population dudit vilayet sans distinction de religion et y poursuivre la réalisation de ses revendications.

En foi de quoi nous établissons le présent certificat.

(L.S.) SAVOGO,
Archevêque.

(L.S.) PIERRE CHEBLI,
Archevêque de Beyrouth.

(L.S.) GERASSIMOS MASSARRA,
Métropolite grec orthodoxe.

(L.S.) IGN. EPHREM RAHMANI,
Patriarche des Syriens catholiques.

Beyrouth, le 26 *mai*, 1913.

[28575] No. 443.

Sir G. Lowther to Sir Edward Grey.—(Received June 23.)

(No. 545. Confidential.)
Sir, *Constantinople, June* 17, 1913.

ACTING on the authority contained in your telegram No. 251 of the 7th instant, I conferred informally with my Russian and French colleagues as to a scheme for reforms in Asiatic Turkey which might eventually form the basis of one for discussion with our remaining colleagues.

It was decided to charge Mr. Fitzmaurice, M. Mandlestam, first dragoman of the Russian Embassy, and M. de Saint-Quentin, the second secretary of the French Embassy, to draw up a project in outline.

This draft scheme is in part based on the Armenian reforms of 1895, the law of 1880, revised by the International Commission for the European Provinces of Turkey, the Cretan and Lebanon statutes, and on the new Ottoman law on the vilayets of 1913.

My Russian and French colleagues have now examined this again, and I have the honour to transmit a copy of the draft which may figure as the Russian proposal. The "statut organique" to be attached thereto will have to be elaborated by all the Powers.

My German colleague has informed M. de Giers that he would be prepared to discuss these reforms, with the two reserves, namely, that the sovereignty of the Sultan must be maintained in the regions in question and that the meetings at which the reforms are to be discussed will take place in the presence of the Turkish delegate. The first condition is obvious, but the second would naturally give rise to great difficulties, but M. de Giers hopes that the German insistence on this point may be modified.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 443.

AVANT-PROJET des Réformes à introduire en Arménie, élaboré par M. A. Mandelstam, premier drogman à l'Ambassade Impériale de Russie à Constantinople sur la base: du ménorandum des Ambassadeurs de France, de Grande-Bretagne et de la Russie à Constantinople sur les réformes en Arménie (mars-avril, 1895); du projet de réformes administratives à introduire dans les provinces arméniennes, élaboré par les Ambassadeurs de France, de Grande-Bretagne et de Russie à Constantinople (mars-avril, 1895); du décret sur les réformes en Arménie promulgué par Sa Majesté Impériale le Sultan en date du 20 octobre, 1895; du projet de loi des vilayets de la Turquie d'Europe du 11 (23) août, 1880, élaboré par la commission européenne, et des protocols et règlements relatifs au Liban.

1.—(1.) Il sera formé une seule province des six vilayets suivants: Erzeroum, Van, Bitlis, Diarbékir, Kharpout, Sivas, à l'exclusion de certaines parties situées sur les confins, savoir: Hekkiari, les parties sud de Séert, de Bichérik et de Malatia et la partie nord-ouest de Sivas.

(2.) La province comprendra les divisions administratives suivantes:—

(i.) Sandjak (département).
(ii.) Caza (arrondissement).
(iii.) Nahié (commune).

(3.) La fixation de ces divisions administratives se fera de façon que les populations y soient réparties en groupes ethnographiques le plus homogènes possible.

2. Le Gouverneur général (Vali Oumoumi) de la province arménienne sera un sujet ottoman chrétien ou de préférence un Européen nommé par Sa Majesté Impériale le Sultan pour un terme de cinq ans avec l'assentiment des Puissances.

3.—(1.) Le Gouverneur général est le chef du pouvoir exécutif de la province. Il nomme et révoque tous les agents administratifs de la province, sans aucune exception. Il nomme également tous les juges de la province.

(2.) Les forces de police et de gendarmerie sont placées sous l'autorité directe du Gouverneur général.

(3.) Sur la demande du Gouverneur général, les forces militaires devront être mises à sa disposition pour le maintien de l'ordre dans la province.

4. Le Gouverneur général de la province sera assisté d'un conseil administratif ayant un caractère consultatif et composé:

(*a.*) Des chefs des divers départements de l'administration de la province;
(*b.*) Des chefs spirituels des différents communautés religieuses;
(*c.*) Des conseillers techniques européens, au service du Gouvernement Impérial, assistants des chefs des départements de l'administration;
(*d.*) De six conseillers (trois musulmans et trois chrétiens), choisis par l'assemblée provinciale parmi ses membres.

5.—(1.) L'assemblée provinciale se composera de musulmans et de chrétiens en nombre égal.

(2.) Les membres de l'assemblée provinciale seront élus au scrutin secret dans les cazas par les collèges électoraux constitués à cet effet.

(3.) Le nombre des sièges à attribuer aux différentes nations musulmanes et chrétiennes de la province sera fixé pour chaque caza séparément. Ce nombre devra

être proportionnel aux chiffres des populations du caza autant que cela sera compatible avec le principe du premier paragraphe de cet article.

6.—(1.) L'assemblée provinciale sera élue pour une durée de cinq années et se réunira une fois par an en session ordinaire de deux mois. Cette session pourra être prolongée par le Gouverneur général.

(2.) L'assemblée pourra être convoquée en session extraordinaire par le Gouverneur général, soit de sa propre initiative, soit à la demande des deux trois de membres de l'assemblée.

(3.) Le Gouverneur général pourra dissoudre l'assemblée provinciale. Dans ce cas les électeurs devront être convoqués dans les deux mois et la nouvelle assemblée devra se réunir dans les quatre mois qu suivront le décret de dissolution.

(4.) Les décrets de convocation et de dissolution seront promulgués au nom de Sa Majesté Impériale le Sultan.

7.—(1.) L'assemblée provinciale légiférera sur les matières d'intérêt provincial.

(2.) La compétence législative et budgétaire de l'assemblée provinciale sera au moins aussi étendue que celle prévue par les articles 82–93 du projet élaboré en 1880 par la commission européenne.

(3.) Les lois votées seront soumises à la sanction de Sa Majesté Impériale le Sultan. Cette sanction devra être donnée ou refusée dans les deux mois; ce délai passé, le silence du Gouvernement sera interprété comme impliquant la sanction.

8.—(1.) Les conseils administratifs des sandjaks seront présidés par les mutessarifs et se composeront des chefs des services du sandjak, des chefs spirituels des communautés religieuses et de six membres (dont trois musulmans et trois chrétiens) élus par les conseils administratifs des cazas.

(2.) Les conseils administratifs des cazas seront présidés par les caïmacans et se composeront des chefs des services du caza, des chefs spirituels des communautés religieuses et de quatre membres (dont deux musulmans et deux chrétiens) élus par les conseils des nahiés.

(3.) Les attributions de ces conseils seront fixées en conformité avec les articles 115–116 et 139–140 du projet de loi élaboré en 1880 par la commission européenne.

9.—(1.) La conscription de chaque nahié (commune) sera, autant que possible, fixée de telle façon que les villages appartenant à la même race soient groupés dans un même nahié.

(2.) Chaque nahié sera administré par un mudir assisté d'un conseil élu par la population, et composé de quatre membres au minimum et de huit au maximum. Ce conseil choisira parmi ses membres le mudir et son adjoint. Le mudir devra appartenir au groupement ethnique qui forme la majorité des habitants et l'adjoint à l'autre groupement.

(3.) Dans les nahiés dont la population est mixte la minorité devra être représentée au conseil proportionnellement à son importance à condition qu'elle comprenne au moins vingt cinq maisons.

(4.) Les attributions des conseils des nahiés seront fixées en conformité avec les dispositions des articles 163–168 du projet de loi, élaboré en 1880, par la commission européenne.

10.—(1.) Il y aura dans chaque nahié un juge de paix nommé par le Gouverneur général et appartenant à la religion de la majorité de la population du nahié. Il y aura, en outre, un juge de paix dans chaque chef-lieu de caza.

(2.) Le juge de paix connaîtra:

(i.) En matière pénale, sans appel, des contraventions passibles de peines de simple police et, à charge d'appel, des délits n'entraînant pas une peine de plus de 500 piastres d'amende et de trois mois de prison.

(ii.) En matière civile, sans appel, de toute action personnelle, civile et commerciale jusqu'à concurrence de 1,000 piastres et, à charge d'appel, des mêmes actions jusqu'à concurrence de 5,000 piastres.

(3.) Le juge de paix tiendra aussi son tribunal en conciliation. Il pourra, sur la demande des parties, désigner des arbitres pour décider des contestations dont l'objet dépasserait même 5,000 piastres. Dans le cas de sentence arbitrale, les parties renonceront à tout appel.

(4.) Les tribunaux du sandjak n'auront qu'une chambre civile composée d'un président et de deux juges, magistrats diplômés (dont l'un musulman et l'autre chrétien), nommée par le Gouverneur général. Les tribunaux du sandjak connaîtront

en première instance des affaires civiles ou commerciales dépassant 5,000 piastres et en appel des jugements rendus par les juges de paix en matière civile ou commerciale.

(5.) Les sections criminelles des tribunaux du sandjak seront remplacées par des Cours d'Assises ambulantes. Ces Cours d'Assises seront composées d'un magistrat président, choisi par la Cour d'Appel dont relève le tribunal du sandjak parmi les membres de cette cour, et de deux membres désignés par la même Cour d'Appel parmi les juges de paix du sandjak, dont l'un musulman et l'autre chrétien.

(6.) La Cour d'Assises siégera tour à tour dans tous les cazas où sa présence sera reconnu nécessaire.

(7.) Il y aura un juge d'instruction dans chaque caza. En arrivant au caza, le président de la Cour d'Assises se fera remettre par le juge d'instruction un état des causes instruites susceptibles de lui être déférées immédiatement et un état des causes en cours d'instruction. S'il constate, au sujet de ces dernières quelque irrégularité ou des lenteurs non motivées, il adressera immédiatement un rapport au président de la Cour d'Appel.

(8.) La Cour d'Assises connaîtra, en appel des jugements rendus par les juges de paix en matière de délits. Elle connaîtra en première et dernière instance des crimes, ainsi que des délits entraînant une peine de plus de 500 piastres d'amende ou de plus de trois mois de prison.

(9.) Il y aura au moins six Cours d'Appel. Chaque Cour d'Appel est composée d'un président magistrat diplômé, nommé par le Gouverneur général et d'un nombre de chambres suffisant pour connaître des affaires civiles qui lui seront dévolues en appel et pour fournir des présidents aux Cours d'Assises ambulantes. La Cour d'Appel est régulièrement constituée dès qu'elle réunit deux membres et un président. Elle comprend en outre un procureur général et un nombre suffisant de procureurs et de substituts.

(10.) Des tribunaux de commerce seront installés dans les localités où le besoin s'en fera sentir. Dans les endroits où ils fonctionnement, les tribunaux civils ne connaîtront pas des affaires commerciales.

(11.) La compétence des tribunaux du Chéri sera nettement définie et le Gouverneur général veillera à ce qu'ils n'empiètent pas sur les attributions des autres tribunaux de la province. Les juges du Chéri ne pourront cumuler leurs fonctions avec celles des présidents ou membres des autres tribunaux de la province.

11.—(1.) Un corps de police et un corps de gendarmerie seront créés dans la province. Ces corps seront recrutés par moitié parmi les habitants musulmans et chrétiens de la province.

(2.) L'organisation et le haut commandement de ces corps seront confiés à des officiers européens au service de la Turquie.

(3.) Des gardes champêtres seront institués dans les nahiés. Ils seront nommés par les conseils des nahiés, et placés sous les ordres des mudirs.

12.—(1.) Les recrues domiciliées dans la province y feront en temps de paix leur service militaire.

(2.) Les régiments de la cavalerie légère kurde (ex-Hamidiés) seront licenciés.

13.—(1.) Les fonctionnaires de l'administration et les juges de la province seront choisis, en nombre égal, parmi les musulmans et les chrétiens.

(2.) Lors de la répartition des postes des gouverneurs de sandjak (mutessarifs) et de caza (caïmacan) on devra prendre en considération les chiffres des différents groupements ethniques ainsi que l'importance de leurs intérêts économiques.

14. Sous les habitants sédentaires jouiront des droits d'élection d'éligibilité.

15.—(1.) Les lois, décrets, ordonnances, circulaires et avis officiels destinés à être publiés dans la province seront rédigés dans les trois principales langues de la province (turc, arménien, kurd).

(2.) Les requêtes, pétitions et toutes les pièces qui doivent être remises aux autorités administratives ou judiciaires seront rédigées dans l'une de ces trois langues principales, au choix des intéressés.

(3.) Devant les tribunaux les plaidoiries pourront être faites, au choix des intéressés, dans leur propre langue.

(4.) Les sentences des tribunaux seront libellées en langue turque et accompagnées d'une traduction dans la langue des parties.

16.—(1.) Chaque nation de la province a le droit de créer et d'administrer des écoles privées de tout degré.

(2.) Elle pourra établir des taxes spéciales sur les membres de la nation en vue de pourvoir aux besoins de ses écoles.

(3.) L'enseignement dans les écoles privées se fera dans la langue nationale.

(4.) La haute surveillance de ces écoles appartient au Gouverneur général, qui l'exercera en conformité avec les règles posées par le Statut organique de la province.

(5.) L'enseignement de la langue turque sera obligatoire dans les écoles privées.

17. Une commission spéciale présidée par le Gouverneur général déterminera les conditions dans lesquelles les Arméniens dont les terres ont été usurpées en obtiendront, soit la restitution, soit la contrevaleur, en numéraire ou en terres.

18. L'inviolabilité des droits et privilèges découlant pour la nation arménienne du Sahmanatrouthioun ("Statut organique," Young, vol. ii, p. 80) de 1863 et des hérats octroyés par les Sultans est formellement reconnue.

19. Il ne devra pas être installés de muhadjirs sur le territoire de la province.

22. Des dispositions spéciales, conformes à l'esprit des principes ci-dessus énoncés, seront élaborées pour améliorer le sort des Arméniens habitants hors des limites de la province et spécialement en Cilicie.

21. Une commission composée des délégués du Gouvernement ottoman et des Puissances élaborera le Statut organique de la province, ainsi que les dispositions mentionnées à l'article 20, en s'inspirant des principes énoncés dans cet avant-projet.

22. Les Puissances s'assureront de l'exécution de toutes ces dispositions.

Constantinople, juin 1913.

[28801] No. 444.

India Office to Foreign Office.—(Received June 23.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 21st June, 1913, regarding the lighting and buoyage of the Persian Gulf.

India Office, June 23, 1913.

Enclosure in No. 444.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *June* 21, 1913.

LIGHTHOUSE at Tamb.

With reference to your telegram of 2nd May, having sanctioned exhibition of light I have issued a notice to mariners. I solicit your sanction to a communication to the consular representatives of foreign Powers. See the Resident's letter of 13th December last, paragraph 4.

[28805] No. 445.

Anglo-Persian Oil Company to Foreign Office.—(Received June 23.)

(Confidential.) *Winchester House, Old Broad Street,*

Sir, *London, June* 23, 1913.

WITH reference to my interview on Tuesday with Sir Edward Grey on the subject of the Mesopotamian oil concession, I am desired by my board to put forward the following further points for consideration:—

At various times during the course of the negotiations for a contract with the Admiralty for oil-fuel we have represented that two steps were necessary for ensuring the maintenance of the Persian oil-fields as a source of supply for oil-fuel for His Majesty's navy, viz.:—

1. A contract for the purchase of all the oil-fuel we can produce, in excess of the quantity required for the local Indian markets, up to a quantity of, say, 500,000 tons per annum, coupled with a sufficient guarantee, or "advance payment," to enable us to raise the additional capital (not less than 2,000,000*l.*) which would be required to produce this quantity of oil-fuel.

2. The support of His Majesty's Government to Mr. D'Arcy's claim to the

concession for oil in the provinces of Mosul and Bagdad, which, if it came under the control of the group who are now seeking to obtain it in competition with us, would become a very serious menace to this company.

I explained to Sir Edward Grey that the undoubted object of the rival group in desiring to secure control of the Mesopotamian concession was to use the oil produced therefrom as a means of attack on the Anglo-Persian Oil Company and the Burma Oil Company, with a view to forcing one or both of these companies into an arrangement whereby they would secure the control of their outputs.

I further explained that the power of the group in this direction is at present somewhat limited by the considerable disadvantage in freight at which they would stand in a war of rates, and that it was doubtless with a view to endeavouring to overcome this disadvantage, and thereby placing themselves in a more favourable position for forcing us into their foreign-controlled combine, that they have already secured oil concessions in Egypt, and are now seeking to secure the concession for Mesopotamia.

So far the exploitation of their Egyptian field has not given promise of any large production of oil, but were they to secure the Mesopotamian concession and be successful in obtaining from this field a considerable supply of oil there is but little doubt that it would be used as a weapon of attack in the manner indicated above.

In this connection I am desired to point out that failure on our part to conclude at an early date the proposed contract and to secure the Mesopotamian concession, or at least its control, may render it impossible for us to maintain our independence; and that among the probable consequences of this there are several that would more particularly affect India, viz.:—

1. Should the Indian Government later on find it desirable to substitute oil-fuel for coal, they are not then likely to be able to purchase it at the low rate at which we are now offering it under a combined contract.

2. The Indian consumer would eventually have to pay a much higher price for his kerosene.

3. The development of the Baluchistan oil-fields and the control of its production by a purely British company may not be practicable.

These points are ones which my board think deserve the most serious consideration of the Indian Government in connection with the proposal that they should co-operate with the Admiralty in the contract for the purchase of Persian oil-fuel.

The second especially is one that calls for serious attention in the interests of Indian consumers, as the price of kerosene in India is now being maintained at a much lower price than that ruling in other parts of the world, solely by reason of the undertaking which was given many years ago by the Burma Oil Company, and which has always been strictly carried out by them, not to sell their standard quality of kerosene at over rupees 3 : 8 per unit of 2 tins ex-warehouse at Budge Budge (Calcutta). In the present condition of the world's markets it would be easily practicable to raise the price by fully 1 rupee to rupee 1 : 8, which would mean that Indian consumers would be called upon to pay some 2 to 3 crores, or, say, 1,300,000*l.* to 2,000,000*l.*, more per annum for their oil than they are paying at present, and were the combine to gain control of the Burma supplies it is beyond doubt that this additional tribute—the great bulk of which would come out of the pockets of the ryots—would be exacted by them from Indian consumers.

As my board feel that the above points cannot but have a considerable bearing upon the question now under consideration, they venture to suggest that a copy of this letter should be forwarded to the India Office, together with an expression of the views of His Majesty's Government on the subject.

I have, &c.
C. GREENWAY,
Managing Director.

[28134] No. 446.

Sir Edward Grey to Sir G. Lowther.

(No. 275.)
(Telegraphic.) *Foreign Office, June 23, 1913.*

YOUR telegram No. 288 of 19th June: Arab movement at Basra.

What is your view as to warning the Turkish Government of the situation reported in your telegram No. 288?

[28490] No. 447.

Sir Edward Grey to Sir G. Lowther.

(No. 279.)
(Telegraphic.) R. *Foreign Office, June 23, 1913.*

YOUR telegram No. 291 of 22nd June: Assassination of Turkish officials at Basra.

You should bring matter to knowledge of Porte.

[28800] No. 448.

Count Benckendorff to M. Sazonof.—(Communicated to Foreign Office, June 23, 1913.)

(Télégraphique.)

LE Ministre des Affaires Étrangères me dit qu'il croit qu'il y a malentendu sur le sens de l'aide-mémoire. Il me dit que le Gouvernement allemand ayant proposé que le Gouvernement turc soit représenté à la conférence des Ambassadeurs, il devient difficile de refuser de prendre connaissance du projet de réformes déjà élaboré par la Turquie; que pareil refus rendrait difficile l'accord nécessaire de toutes les Puissances.

Le projet de Sir Edward Grey consiste à informer le Gouvernement turc que les Ambassadeurs sont chargés d'élaborer un projet de réformes et qu'ils prendront comme base le projet élaboré en 1895. Simultanément la Sublime Porte serait à informer que si le Gouvernement turc désire soumettre un projet élaboré par lui, les Puissances n'y voient pas d'obstacles et examineront si le projet turc peut être mis en harmonie avec les bases de 1895.

[26655] No. 449.

Sir Edward Grey to Mr. Carnegie.

(No. 388.)
Sir, *Foreign Office, June 23, 1913.*

I TRANSMIT to you herewith copy of a despatch from His Majesty's Ambassador at Constantinople,* relative to the departure from Paris and London of a special mission to plead the cause of administrative reform in Syria.

I have to request you to report in due course the proceedings of this mission after their arrival in Paris, stating whether they are recognised by the Ottoman Embassy there.

You should ascertain whether the French Government proposes to receive them, and, if so, what language they intend to hold to the delegates.

I am, &c.
E. GREY.

[28831] No. 450.

Mr. Carnegie to Sir Edward Grey.—(Received June 24.)

(No. 337.)
Sir, *Paris, June 23, 1913.*

I HAVE the honour to transmit to you herewith, with reference to my telegram No. 82 of the 21st instant, copy of a memorandum from the Minister for Foreign

* No. 359.

Affairs informing me that his Excellency is in complete agreement with your views in regard to the project of reforms for the Armenian vilayets, and that instructions will be sent to the French Ambassador at St. Petersburgh similar to those transmitted to Sir George Buchanan in your telegram No. 168 of the 20th instant.

I have, &c.
LANCELOT D. CARNEGIE.

Enclosure in No. 450.

Note communicated to Mr. Carnegie by M. Pichon.

PAR une note en date de ce jour, le Chargé d'Affaires de Sa Majesté britannique à Paris a bien voulu signaler à M. Pichon les objections que verrait Sir Edward Grey à la présentation collective par les Ambassadeurs de France, de la Grande-Bretagne et de Russie à Constantinople d'un projet de réformes dans les provinces arméniennes de la Turquie asiatique. Il a paru au Principal Secrétaire d'État pour les Affaires Étrangères qu'en vue de prévenir toute interprétation erronée et de regrettables malentendus il serait préférable que le Gouvernement russe, qui a pris l'initiative du projet en question, chargeât son Ambassadeur à Constantinople de soumettre seul aux représentants des Grandes Puissances le travail qui a été officieusement préparé sur la base du projet de 1895.

M. Pichon s'empresse d'informer l'Honorable L. D. Carnegie qu'il partage entièrement sur ce point la manière de voir de Sir Edward Grey et qu'il ne manquera pas de donner à l'Ambassadeur de la république à Saint-Pétersbourg des instructions identiques à celles que Sir George Buchanan a reçues sur ce sujet du Gouvernement britannique.

Paris, le 21 juin, 1913.

[29021] No. 451.

India Office to Foreign Office.—(Received June 24.)

Sir, *India Office, June 24*, 1913.

I AM directed by the Secretary of State for India to advert to the Government of India's telegram of the 19th instant (copy of which was communicated to your Department on the 20th instant) regarding the reported despatch of Turkish troops to El Katr, and to say that he concurs with the Government of India that this disturbance of the *status quo* is undesirable.

I am, &c.
T. W. HOLDERNESS.

[29070] No. 452.

Board of Trade to Foreign Office.—(Received June 24.)

(Secret.)

Sir, *Board of Trade, June 24*, 1913.

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 21st June with respect to the negotiations for an arrangement between the National Bank group and the Anglo-Persian Oil Company with regard to the oil-fields of Mesopotamia.

With regard to the suggested compromise put forward in your letter, the Board of Trade direct me, before making any communication to Mr. Greenway, to draw your attention to the following considerations:—

The Board understand the effect of your suggestion to be that the capital and control of the new company should to the extent of 52 per cent. be British, but that the British share should be made up of two parts, represented by the Anglo-Persian Oil Company (about 34 per cent.) and the National Bank (about 17 per cent.). It is evident that such an arrangement would not secure the interests of the Anglo-Persian Oil Company unless there were some guarantee that the National Bank group would act together with them as against the foreign-controlled groups in matters of

importance to British interests. Failing such a guarantee, it is clear that any arrangement now made for marketing, unless made unalterable by being actually embodied in the concession or in some other way could be revised or set aside in future, and the Admiralty might then find themselves deprived of the protection of their supplies, to which the Board understand they attach great importance.

It appears, therefore, to the Board that an essential condition of any such arrangement as that outlined in your letter would have to be either that the marketing agreement should be made in advance in a form incapable of modification without the assent of His Majesty's Government, or alternatively that the National Bank should give a binding assurance that they would co-operate with the Anglo-Persian Oil Company upon the directorate of the new company.

Perhaps the most satisfactory method of giving effect to the latter alternative would be that both the National Bank and the Anglo-Persian Oil Company should pledge themselves that in matters involving British interests their representatives on the directorate should seek and follow the directions of His Majesty's Government. At the same time His Majesty's Government might intimate that the marketing arrangements to be made by the new company are in their judgment matters affecting British interests.

If such an assurance were given, perhaps the following distribution of capital might be acceptable:—

Anglo-Persian Oil Company	35
National Bank	25
Deutsche Bank	25
Anglo-Saxon Company	15
	100

I am, &c.
H. LLEWELLYN SMITH.

[28828] No. 453.

Sir G. Lowther to Sir Edward Grey.—(Received June 24.)

(No. 294.)
(Telegraphic.) *Constantinople, June 24*, 1913.

YOUR telegram No. 274 of 21st June.

I have no recollection whatever of Sir H. Babington Smith's ever mentioning interest of National Bank in Mesopotamian oil.

The first the embassy heard of it was Mr. Baring's communication as reported by Mr. Marling in his despatch No. 637 of 27th July of last year.

[28815] No. 454.

Sir G. Lowther to Sir Edward Grey.—(Received June 23.)

(No. 295.)
(Telegraphic.) *Constantinople, June 23*, 1913.

YOUR telegram No. 275 of 23rd June: Arab movement at Basra.

I do not think any useful purpose would be served in warning Turkish Government of situation, as they are well aware of it.

[28858] No. 455.

Sir G. Lowther to Sir Edward Grey.—(Received June 24.)

(No. 296.)
(Telegraphic.) *Constantinople, June 24*, 1913.

FOLLOWING is repetition of telegram of yesterday from Basra:—

"Panic occurred yesterday due to the report that Ajeymi had entered the town; shops were shut and the population fled from Basra.

"The vali sent his dragoman to say that there was no foundation for it.

"I asked him to express the hope that his Excellency would now exert his authority and disarm the unrestrained Arab mob, who were causing serious disturbance. I said that previous warnings had been disregarded, resulting in the lamentable occurrences of Friday last."

[28884] No. 456.

Sir G. Louther to Sir Edward Grey.—(Received June 24.)

(No. 297.)
(Telegraphic.) R. *Constantinople, June 24, 1913.*

REFORMS in Asiatic Turkey.

My colleagues appear to be now all authorised to discuss question of reform on basis of project which will be presented by the Russian Ambassador, and latter is pressing me to join in discussion.

Am I authorised to do so?

[28815] No. 457.

Sir Edward Grey to Sir G. Louther.

(No. 283.)
(Telegraphic.) *Foreign Office, June 24, 1913.*

YOUR telegram No. 295 of 23rd June, just received: Arab movement at Basra.

You need not act on my telegram No. 279 of 23rd June.

[29150] No. 458.

India Office to Foreign Office.—(Received June 25.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of enclosures in a letter from the Foreign Secretary to the Government of India, dated the 5th June, 1913, relative to the expulsion of the Turks from Hasa and Katif.

India Office, June 24, 1913.

Enclosure 1 in No. 458.

Lieutenant-Colonel Sir P. Cox to Government of India.

Bushire, May 26, 1913.

WITH reference to the correspondence ending with my telegram dated the 25th instant, I have the honour to forward copies of communications received from the Political Agent, Koweit, in connection with the aims and doings of Abdul Aziz "Bin Saud."

2. The second enclosure merely relates in detail the account which had reached Koweit of Bin Saud's proceedings in expelling the Turks from Hasa and Katif, and calls for no special comment.

3. Enclosure 2 is an interesting report addressed to me before Captain Shakespear had heard of the fall of Hasa and Katif.

It is, no doubt, somewhat awkward, from our point of view, that Bin Saud should have proceeded to extremities at the present stage of the Anglo-Turkish negotiations and so soon after a friendly meeting with our agent, but however inconvenient the coincidence of events may be, the juncture was obviously an ideal one for Bin Saud to choose, and it would seem that the only course, whether for ourselves or the Turks, is to look the practical position in the face.

It is difficult to see how the Porte, with an empty exchequer and with trouble brewing simultaneously in the Basra vilayet, can hope for some time to come to undertake punitive operations against Bin Saud. In any case, if any attempt is made to operate by sea, we shall at once be faced with the question as to whether our policy in the Gulf will admit of our acquiescing in such a course, which in all probability would prove abortive and leave to us a legacy of bitter resentment on the part of Bin Saud.

It seems to me urgent that, if at all possible, we should endeavour to bring about a bloodless solution of the difficulty, which might conceivably be effected in time to be

brought into the convention now under negotiation; and I have therefore ventured to telegraph suggestions in that sense to the Government of India.

4. As regards Captain Shakespear's references to past history and to certain putative agreements between the British Government and the Wahabi Amir, I think one of the letters to which he refers is probably that addressed by Colonel Pelly to the Amir on the 6th January, 1866, in which he alluded to "Your Highness's Governor of Khatif," but this and all such correspondence as there is, is on the record of the Government of India, and I do not think I need do more than indicate it.

My own records have not so far produced anything of utility.

Trusting that the Government of India will see reason to give the situation their lively consideration.

Enclosure 2 in No. 458.

Captain Shakespear to Lieutenant-Colonel Sir P. Cox.

Koweit, May 15, 1913.

I HAVE the honour to invite a reference to the correspondence ending with your second assistant's endorsement, dated the 16th February, 1913.

2. In the course of my recent tour in the Koweit hinterland this spring I again met Abdul Aziz "Bin Saud," the Amir of Nejd, and spent four days in his camp. He and his brothers were all apparently very glad to renew our old acquaintance, and my reception in the camp was every whit as friendly and hospitable as on the former occasion in March, 1911. The Amir was anxious to hear the latest news of the Turko-Balkan war as well as an account of its course, as he said that he was unable to believe the accounts which reached him from either Turkish sources or Egyptian newspapers, for although these contained descriptions of many Turkish successes, the Turkish troops always seemed to be giving ground, and he had heard from Koweit and Bahrein that the Ottoman army then held only the capital, some forts within a day's march, and a few other isolated towns, the whole of the rest of European Turkey having been absorbed by the Balkan allies. I gave him such information as there was (news of the fall of Adrianople had not then been received), and was surprised to find that, so far from a pro-Turkish spirit being evinced, the contrary was expressed, and the Amir, his brothers, and the Nejd notables in camp all seemed to consider that Turkey's misfortunes and present weakness furnished the best opportunity for Nejd to rid itself of all shadow of Ottoman suzerainty and to drive their troops from Hasa and Katif.

3. I would here invite a reference to my report of the 8th April, 1911, as much of the conversation I had with Bin Saud on the present occasion was merely a recapitulation of what I have already submitted two years ago. I will endeavour now only to show what effects the events of the two years since elapsed, the Italian war in Tripoli and the Turco-Balkan war, have had on the Amir's opinions and ambitions. He spoke with even greater vehemence of his hatred of the Turks, and was manifestly disappointed that I could give him no encouragement nor even the faintest hope that his ambitions would have the approval, tacit, disguised, or otherwise, of the British Government. I was at pains to explain that we were on friendly terms with the Turkish Government; were in negotiation with them over certain matters regarding the Bagdad Railway and the Persian Gulf; and that the present, of all times, was most unsuitable for us to embark on any championship of his claims, even if we were willing to do so, which, so far as I could see, was not the case. Though disappointed he showed no annoyance or resentment, but merely remarked that some day we would be forced by circumstances to take up his case.

4. The Amir said that since he had last spoken of the matter to me Turkey had been through two wars, in both of which she had shown her incapability in military matters, and that the Arabs consequently felt equal to evicting the Turkish troops from Hasa and Katif with the greatest of ease. They were all agreed that no opportunity is ever likely to offer better than the present, when, with her army broken and disorganised, her finances crippled, and her Arab subjects in Iraq and Syria all demanding reforms and self-government, Turkey would certainly be too much occupied in her other Asiatic provinces and in recuperating after the war's conclusion to despatch a serious expedition to Hasa or Nejd. He said, moreover, that it was firmly believed by Arabs that the Turkish reverses were the judgment of the Almighty on a people who, calling themselves Musulmans, had for years neglected their faith, oppressed their subjects, embezzled religious endowments, broken every ordinance of the Koran, and subverted the Khalifat.

He averred that the present Sultan was in no sense the Khalifa, holding his throne, as he does, as the puppet of a clique of politicians in Constantinople, whose only object was the filling of their own pockets and who would be ready to find another Khalifa to-morrow if a change would suit them better. The Arabs were not blind, and they could not help contrasting the justice, truth, equity, material prosperity, and religious freedom which obtained under the rule of other nations and more particularly under the British flag, with what they saw under Turkish government. Sentiments of the above description were not expressed secretly nor do I think especially for my benefit, but such speech was held openly at almost every gathering of the Amir and his headmen, and I certainly formed the impression that Turkey's misfortunes had induced no sympathy for herself as a power, but had rather been taken as conclusive proof that as the Turks had neglected their religion so had the Almighty abandoned them, and therefore it behoved all good Wahabis to rid themselves of all intercourse with such backsliders and reprobates. Such, briefly, appears to have been the effect on the minds of the more educated and responsible men of Nejd.

5. In discussing his own ambitions Bin Saud said that the moment had now arrived when he must choose his definite policy for the future. By the grace of God his power in Central Arabia had increased until he no longer feared any of its sheikhs or rulers: he was moreover in alliance with all of them excepting only one, viz., the Sherif of Mecca, who, fearing a second Wahabi invasion of the Hejaz had therefore allied himself with the Turks. The As-Saud were prepared to hold what they had recovered during the last fifteen years of their ancient dominion in Arabia, and felt capable of being able to do so comparatively easily but for the menace of Turkish agression, only possible from the east by way of Hasa and from the west by Mecca and Medina. To withstand the Turks from both directions they felt was beyond their strength, and to render secure their eastern borders, thus making their full force available for the defence of their western boundaries, was one of the reasons for their desire to evict the Turks from Hasa and Katif. Another most important one was that the possession of these rich districts with their ports, and especially Ojair, would furnish a valuable source of revenue to what was at present an extremely poor state. Moreover, the As-Saud had other grounds, and just ones, for their claim to Hasa and Katif; one was that these districts formerly belonged to their house, another was that the Turks themselves in a document given to Abdulla bin Faisal by Nafiz Pasha, the General who commanded Midhat Pasha's expedition to Katif in 1871, had agreed that the area should belong to and be governed by Abdulla and his family. The Amir informed me that this document had only recently come into his possession and on his return to Riadh he would send me a copy. Another document of which he had heard, but so far had not succeeded in tracing, was one which purported to be an agreement made by Colonel Sir Lewis Pelly, guaranteeing on behalf of the British Government that the As-Saud family would be recognised as the sheikhs of the Katif district. This document he said was the result of negotiations after the naval action at Katif and Dammam (in 1865) when four men named Mahomed bin Ma'ana, Abdul Aziz bin Umr, Saleh el Widawi, and Ibrahim bin Ghanim, were sent by Faisal As-Saud as his representatives to the Resident. I have no archives with which to test the accuracy of the Amir's assertions, but I find a declaration printed on p. 156 of "Aitchison's Treaties," vol. xii, as No. 28 which seems to bear on this transaction.

6. Of late years, and particularly during their wars with Italy and the Balkan States, Turkish officials have been pressing Abdul Aziz to assist them practically with men and money and to show himself a loyal subject of the Sultan—

(*a.*) By sending three of the As-Saud family to Constantinople for education and service in the Ottoman army;
(*b.*) By acknowledging Turkish suzerainty openly in the acceptance of a Turkish title with a firman from the Sultan, appointing him Governor of Nejd; and
(*c.*) By handing over to them all letters and documents which may have passed at any time between British officials and the As-Saud family, particularly that referred to above.

Hitherto he had refused, in as polite language as was possible, knowing that once the Turks gained any hold over him he would, in truth, eventually become a Turkish subject, which he did not admit himself to be at present, and then there would be no security for himself or his house. He was, however, beginning to feel the pressure, for all the Arab leaders, Ibn Rashid and the like, had rejected similar Turkish overtures with the answer that they were prepared to comply as soon as they saw Bin Saud doing so, for they had as little cause to love the Turks as he had himself, and desired to

maintain their present independence. Thus it would be seen that Arabia might be said to be awaiting his lead.

7. The Turks besides are convinced that some kind of understanding actually exists between the As-Saud and the British Government, and this belief is one of the reasons for their repeated efforts to make him renounce his present complete independence. He himself is willing to make public any definite understanding with us, for the fact of its existence would relieve him of the Turkish menace. Unless he is fortified by some understanding with the British Government which, however nebulous it might be, would make the Turks hesitate from attacking him gratuitously, he would always be subject to intrigues; though at present allied to the other important chiefs in Arabia, he could not hope that such alliances will endure for ever, and any differences would be exploited to the utmost by the Turks. While he felt able to hold his own against Ibn Rashid or other rulers, and even against combinations among them, he was aware that the addition of Turkish troops to assist his enemies would probably be his undoing. Consequently he was driven either to ask for British protection of some such kind as we had accorded to Koweit and to other sheikhs as a result of old friendships and relations or to trust in his own sword and providence. He was determined, sooner or later, to turn out the Turks from Hasa and Katif, and if it could not be managed by diplomacy it would be done by resort to arms. He could foresee no better opportunity than the present, but before proceeding to extremities he wished to obtain some idea of what attitude we should take up. On this I told him at once that if he did proceed against Hasa I was sure that we should certainly not endanger our relations with Turkey on his behalf, for we had not hitherto in any way disputed the Turkish position in Hasa, and he must know that we could hardly do so when or after he had brought the matter to a head by an unprovoked attack. Of course, it might be possible for him to eject the Turks for the time being, since they did not maintain a very large garrison, but it would probably mean a severe fight, and then he had to contemplate what would be the subsequent course of events. Any action on his part against Hasa would inevitably bring retaliation, which might develop into a war like that lately waged in Yemen, and finally might lead to a further Turkish advance into Nejd, in the course of which he would lose all he now held. There was no denying the fact that he would be trying conclusions with a world-power which could, if it exerted itself, crush him utterly, and to me it seemed a foolish enterprise, of which every possible advantage was far outweighed by the heavy risk, almost amounting to certainty, of his losing all that he now possessed. As his friend I could not let him labour under so serious a misapprehension of Turkish strength, even though the course of the Balkan war seemed to warrant it, and though it might be unpalatable it was as well he should know how we regarded the matter.

8. From all that I heard in his camp I have no doubt that some day an attempt will certainly be made on Hasa and Katif, most discussions pointing to the fact that the Arabs despised the Turkish troops of the garrisons as quite useless, that they were certain of their immediate success, and were mainly concerned as to how it might be brought about in the most complete and, if possible, bloodless manner, as they felt that then they might be able to enlist British sympathy. I felt it necessary to point out what seemed to me to be inevitable, viz., severe reprisals from the Turks and the absence of interference on our part in the As-Saud cause, and did so whenever the subject came up.

9. There is no doubt that the Arabs of nearly all Arabia have now come to despise the Turks so much that they consider themselves quite able to deal with them. For this collapse of prestige the two wars are responsible, while distrust of and contempt for the Turks has been intensified by the exposure, which every day becomes plainer, that so-called victories were only falsehoods deliberately circulated by the Government to cover their own failures and weakness. The unrest and desire for emancipation from Turkish rule is not confined to Nejd. The press contains accounts of similar movements for self-government in Syria, Beirout, Bagdad, and Basra. In Basra, I am informed that the new Wali, on his arrival a few days ago, was bluntly told that unless he fell into line with local notables he had better re-embark at once for Constantinople.

10. I venture to submit this report in the hope that serious attention may be directed to Bin Saud and Central Arabian affairs. The man is a ruler of the best Arab type and his personality is one which is likely to lead Arabia should any extensive combination come into being among its tribes, an event which to me seems exceedingly probable in the near future, unless some radical change takes place in Turkish policy towards the Arabs. As soon as some such combination occurs and perhaps even before, I do not think that there is the least doubt that Bin Saud's first move will be on Hasa

and Katif, and when that happens it seems to me that we shall be forced into relations with the Amir of Nejd, however much we may desire to avoid them. At present he is most friendly and inclined even to bind himself in some degree, for he has already expressed as much in his letter to me regarding the capture of his arms at Shargah, forwarded with my letter of the 29th April, 1913. How far he would go in putting this desire into the words of a documentary agreement is uncertain, but I am inclined to believe that it would be a very long way if he had reason to think that we would assist him in effecting the removal of the Turks from Hasa and Katif. That we would ever find a method to assist him diplomatically in this direction I confess does not seem possible at present, for our success hitherto in a somewhat similar case, viz., the evacuation of the Umr Kasr and other Turkish posts on Koweit boundaries, where we had far stronger grounds for exerting pressure on the Porte has been infinitesimal. On the other hand to reject the Amir's overtures will assuredly cause a feeling of resentment which may react upon our interests along the whole Arabian littoral of the Gulf, perhaps not at once, but in the near future as Bin Saud's power increases, for increase it will so long as Abdul Aziz and his brothers are alive.

11. Exactly what have been our relations with the As-Saud family in the past, for want of early records I do not know and whether they would warrant any move in the direction desired by the Amir I am not in a position to suggest. I am aware, however, that we had frequently to take punitive measures against the Wahabis for interference with the trucial chiefs and Bahrein, but in this connection now I am convinced that Bin Saud would be only too glad to furnish us with any undertaking we desired for the maintenance of the *status quo* in the future.

In conclusion, I have the honour to solicit your support for a reconsideration of the whole question of our relations with the Amir of Nejd for I cannot avoid the impression that the matter will become an urgent one before long and that it will be to our advantage to have reached beforehand some definite decision in regard to our future relations with Bin Saud.

Enclosure 3 in No. 458.

Captain Shakespear to Lieutenant-Colonel Sir P. Cox.

Koweit, May 20, 1913.

WITH reference to your second assistant's endorsement, dated the 13th May, 1913, forwarding a report from Bahrein of the occupation of Hasa by Bin Saud, I have the honour to submit the details of the incident which have now reached Koweit.

2. The news which was received with the greatest surprise in Koweit was first supplied by passengers and letters from Bahrein arriving here by last mail on the 15th May. From this source there were various accounts which it is unnecessary to recapitulate, for in the morning of the 17th May special messengers with letters from Bin Saud reached Koweit overland.

3. I saw Sheikh Mubarak in the afternoon and the course of events appears to have been as follows: Bin Saud collected a very large force of Nejd townsmen and marched rapidly from Riadh accompanied by some, though not many, Bedouin, until he arrived within five hours of Hofhuf in the forenoon of the 27th Jumadi-al-Awal (4th May, 1913). Here he assembled his headmen and explained to them how, owing to Turkish ineptitude the Bedouin tribes near Hasa were always raiding, how bad characters whom he desired to punish took refuge in the Hasa villages and the Turkish officials were obstructive and shielded them, how he was weary of the want of security in this district and how he had for years received invitations from the Hasa Arabs and now, having arrived within five hours of Hofhuf, he asked his sheikhs to state whether they agreed with him that the Turks should be turned out for good and all or not. The headmen and sheikhs replied that they were prepared to follow him. In the afternoon Bin Saud intimated to his sheikhs that he required only 300 picked men for the actual attack and when these had been selected the party started. On arrival at a spot about an hour or less to the west of Hofhuf itself, shortly after sunset, the camels and horses were left parked, ropes collected and other preparations made; Bin Saud and his men then proceeded on foot until close to the walls. At about two hours after midnight the party proceeded to scale the walls, the ropes were quickly taken to the top by men climbing upon each other's shoulders, and as soon as a good number were over the wall a move was made to open the western gate for the remainder. It was not until this moment that the Turkish sentries became alarmed. On the alarm being given some firing took

place near the gate, probably with the gate-guard, in which eight Turks and four of Bin Saud's men were killed. The Turks all retreated to the central fort known as Kut, while the population came out and welcomed Bin Saud. Bin Saud then sent envoys accompanied by some of the Hasa notables to the mutessarif and commandant pointing out the futility of opposition and offering them a safe conduct if they would surrender immediately and agree to remove themselves and their belongings. He also undertook to allow them to keep their arms and to provide them with transport to the coast, but insisted that the troops must leave at once permitting only one or two day's grace to those Turks who had families. The mutessarif surrendered at noon on the 5th May and so far assisted Bin Saud as to send messages to outlying detachments also to surrender. Within the Government buildings in the Kut Bin Saud obtained treasure to the extent of 40,000 dollars, twelve guns of different calibres, two mitrailleuses, and a large quantity of reserve rifles and ammunition.

4. Messengers were also sent to Katif accompanied by Shiah notables, and the chief Shiah Mujtahid in Hasa with a letter from the mutessarif to the kaimakam ordering him to surrender, with what result has not yet become known. Bin Saud has also occupied Ojair, and replaced the Turkish customs staff by his own men. He appears to have insisted on every Turkish soldier and official leaving at the earliest possible moment.

5. Koweitis are surprised at the boldness and success of Bin Saud's coup, and opinion is divided as to what steps the Turkish Government will take, the general idea being that Turkey will be too occupied with her own affairs in Basra to be able to spare any troops for Hasa at present but that later on she may be expected to send an expedition by sea against Bin Saud. Sheikh Mubarak himself seems inclined to think that the Turks will make the best of a bad job and dub Bin Saud mutessarif of Nejd leaving him to govern alone as he chooses, for the Hasa province has never paid its way, all Customs receipts being swallowed up in doles and subsidies to petty Beduin sheikhs in a vain endeavour to make them desist from looting caravans and threatening Turkish detachments.

6. I confess I am surprised at the suddenness of Bin Saud's attack, for while I expected it to come sooner or later I gathered the impression that he would wait to see what effect the movements for self-government in other Arab provinces would have on Turkish policy before actually committing himself. From other aspects it seems clear he could hardly have selected a better moment or managed the affair more deftly as he appears to have secured the support of the responsible men of Hasa itself.

[29093] No. 459.

India Office to Foreign Office.—(Received June 25.)

Sir, *India Office, June 24, 1913.*

IN continuation of previous correspondence as to the lighting, &c. of the Persian Gulf, I am directed to invite reference to the Viceroy's telegram of the 21st June, 1913 (copy communicated to your Department the 23rd instant) regarding the lighthouse on Tamb Island, and to state that, with the concurrence of the Secretary of State for Foreign Affairs, the Marquess of Crewe proposes to authorise the Government of India to make the necessary communication on the subject to foreign consular officers, as was done in the case of the new lights at Bushire, Bunder Abbas, and Bahrein, see correspondence ending with Sir W. Townley's telegram No. 170, dated the 25th April last.

I am, &c.

T. W. HOLDERNESS.

[29184] No. 460.

Sir G. Lowther to Sir Edward Grey.—(Received June 25.)

(No. 301.)

(Telegraphic.) R. *Constantinople, June 25, 1913.*

FOLLOWING from Bagdad, No. 41 of 23rd June:—

"Foreign Office Confidential Print No. 22638, dated 17th May.

"May I represent that Bagdad and Basra post offices under Government of India stand on a different footing from those in Turkey under His Majesty's Government?

In view of possible ultimate dissolution of Turkey and formation meanwhile of foreign spheres of interest, it seems desirable to maintain, and even increase, our establishments in Mesopotamia, which is region where our stake is most large and our claims greatest. For this reason I submit that no modification should be made in Bagdad and Basra post offices, and that all other institutions which mark our premier position here should be most jealously maintained, such as military detachment and stationnaire. These are ocular proofs of antiquity of our connection with Mesopotamia, where steam navigation and post and telegraph, and nearly all such civilisation as exists, are due to British enterprise."

[26463] No. 461.

*Sir Edward Grey to M. Cambon.**

SIR E. GREY presents his compliments to the French Ambassador and has the honour to state, for the confidential information of the French Government, that he has intimated to the German Government that, on the conclusion of a satisfactory arrangement about the terminus of the Bagdad Railway and equality of treatment on the railway, His Majesty's Government would be prepared to give an undertaking similar to that contained in article 3 of the Russo-German agreement of the 19th August, 1911, viz.:—

"Reconnaissant l'importance générale qu'aurait pour le commerce international la réalisation du Chemin de Fer de Bagdad, le Gouvernement russe s'engage à ne pas prendre de mesures visant à en entraver la construction ou à empêcher la participation de capitaux étrangers à cette entreprise, à condition, bien entendu, que cela n'entraine pour la Russie aucun sacrifice de nature pécuniaire ou économique."

Foreign Office, June 25, 1913.

[29222] No. 462.

Consul Stevens to Sir Edward Grey.—(Received June 26.)

(No. 2.)

Sir, *Batoum, June* 17, 1913.

I HAVE the honour to inform you that the progress of events in Asia Minor, the treatment to which Armenians of the vilayets of Erzeroum, Van, Bitlis, and other portions of Turkey in Asia are being subjected, and the activity recently exhibited by Great Britain and other Powers in obtaining rights in certain parts of the Asiatic Dominions of the Sultan are being watched with keen interest in the Caucasus.

Intense disappointment, mingled with surprise, are apparently manifested at Russia alone standing aloof and not availing herself of the opportunity which the present situation affords to advance her interests in Asia Minor to the extent to which her geographical position and other important considerations entitle her in the efforts that are now being made by other nations for securing advantages for themselves in that country.

Official circles obviously are most concerned in the question, but the occasion is also taken advantage of by the Caucasian press, including the leading newspapers, to commence a campaign in favour of the active interference of Russia in the affairs of Asia Minor and the adoption of an energetic attitude in regard to events occurring in the direction pointed out.

The newspapers state that by her recent agreement with Turkey, Great Britain has acquired exclusive railway and other rights in certain parts of the Turkish Dominions in Asia and the protection over Koweit. This measure, as in 1878, when she occupied the island of Cyprus, points to the fact that she again has the intention of abandoning the Christian populations of Asia Minor to the terrible fate that awaits them at the hands of the Turk.

Russia, it is urged, being one of the nations for which, comparatively speaking, it is an easy task to take effective steps to ensure the security and proper treatment of the Christian population of Turkey in Asia should also take over the guardianship of the Armenians of that country who have closer ties, relationship, and much else in common

* Also to Count Benckendorff, *mutatis mutandis*.

with their co-religionists in the Caucasus. She should therefore, insist on the introduction, by the Turkish Government, without further procrastination, of the long-promised reforms in the vilayets of Asia Minor.

On the other hand, well knowing how difficult it is to move the Ottoman Government to adopt the recommended reforms without having recourse to measures capable of subduing opposition, it is suggested Russia should be prepared to back, with the most convincing proof possible, her earnestness and desire to see her wish carried through in any representations she may have to make to Turkey on the question at issue.

I have, &c.
P. STEVENS.

[29250] No. 463.

Sir H. Babington Smith to Sir L. Mallet.—(Received June 26.)

Dear Mallet, *50, Cornhill, London, June* 21, 1913.

I DULY received your letter of the 18th June on the subject of the ports of Samsoun and Trebizond.

If the affairs of the National Bank of Turkey are taken over by some other British group, we shall be happy to discuss with that group suitable arrangements for handing over to them the benefits of the concession. Failing any such arrangement for handing it over to a British group, we should wish to be free to negotiate for its transfer to any other group. It seems probable, for instance, that the French group, which has interested itself in the scheme of railways to Samsoun and Trebizond, might be desirous of acquiring the concession.

We should, of course, be anxious to act as far as practicable in accordance with any wishes which Sir E. Grey may have.

I may add that in any arrangement for the transfer of the concession, we shall endeavour to make suitable conditions for protecting the interests of the British firm of contractors, Sir John Jackson (Limited), who have carried out the surveys and studies of the ports on our behalf, and have incurred considerable expenses on that account.

The project is likely to offer attractions to any British group which is disposed to interest itself in Turkish affairs. We venture, therefore, to suggest that if Sir E. Grey proposes to acquiesce in the French Government's intention of obtaining an undertaking from the Ottoman Government as to granting a concession for these ports to a French group, he should first obtain from the French Government an assurance that no attempt will be made on behalf of French interests to prevent the final confirmation of the existing concession, with or without modifications, in the event of the option being exercised.

Yours sincerely,
H. BABINGTON SMITH.

[29348] No. 464.

Sir G. Buchanan to Sir Edward Grey.—(Received June 26.)

(No. 232.)

(Telegraphic.) *St. Petersburgh, June* 26, 1913.

YOUR despatch No. 221 of 16th June; Reforms in Armenia.

I handed to Minister for Foreign Affairs yesterday note embodying your instructions.

His Excellency received it unfavourably, saying that he did not like our having taken definite engagement with regard to British officers asked for.

I replied that it was impossible for you to have acted otherwise; that we had no desire to poach in Russian preserves, but that it was indispensable to organise force capable of maintaining order and preventing massacres till general reform scheme was adopted, and that without it the High Commissioner whom the French Government had proposed would be powerless for good.

The Minister for Foreign Affairs said that he did not wish to quarrel with us about

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this question, but that it must be distinctly understood that the appointment of the officers was to be provisional, and that their number must be limited.

He will not, I think, consent to more than five or six, and, though he did not actually say so, would much prefer that they should not be taken from the Indian army.

[28884] No. 465.

Sir Edward Grey to Sir G. Lowther.

(No. 287.)
(Telegraphic.) R. *Foreign Office, June 26, 1913.*

YOUR telegram No. 297 of 24th June: Armenian reforms.

Yes.

(Repeated to St. Petersburgh, No. 477.)

[28054] No. 466.

Sir Edward Grey to Mr. Carnegie.

(No. 399.)
Sir, *Foreign Office, June 26, 1913.*

I TRANSMIT to you herewith copy of a letter from Sir R. Crawford, financial adviser to the Turkish Government, to Sir W. Tyrrell, relative to the finances of Turkey and the introduction of reforms into the Asiatic provinces of the Ottoman Empire.*

As regards the first of these points, I am of opinion that the reasons advanced by Sir R. Crawford against the immediate consolidation of the outstanding advances to the Turkish Government are valid, and that his suggestion that the fresh small advance required by them to carry on the administration should be secured on a mortgage on the land and buildings at Tophané is worthy of immediate consideration.

You should at once bring before the French Government Sir R. Crawford's reasons against consolidation scheme and his proposal to secure a mortgage on the Tophané lands in order that the French Government may see that this mortgage is secured in the case of any advances to the Turkish Government being made by French financiers. In the event of British financiers desiring to make advances we should take similar action.

You need take no action on the remainder of Sir R. Crawford's letter.

I am, &c.
E. GREY.

[29558] No. 467.

Sir Edward Grey to Mr. Carnegie.

(No. 406.)
Sir, *Foreign Office, June 26, 1913.*

DURING the conversation with M. Cambon and M. Pichon this morning, I said that Germany seemed to hesitate between two policies about Asiatic Turkey: her first idea had been the integrity of Asiatic Turkey, possibly guaranteed by the Powers, and the consolidation and support of Turkish authority; latterly she had talked somewhat vaguely about spheres of interest. This second policy would lead to a partition of Asiatic Turkey and a complete disappearance of Turkish power.

M. Pichon said that the first policy was the one to be entirely preferred.

I agreed, and said that to make it effective there would have to be reforms agreed upon by the Powers and financial assistance based upon proper financial organisation. If Turkey was to be re-established, she must not be burdened with a heavy indemnity. Sir Arthur Nicolson and I pointed out to M. Pichon and M. Cambon how untenable the position would be in Parliament here if we agreed to an increase of Turkish customs dues, which would be levied greatly upon British trade and which would go, not to the good government and development of Asiatic Turkey, from which an increase of trade would result, but as an indemnity to the Balkan States, who were going to increase the customs dues in the territory that they had annexed.

* Sir R. Crawford, June 11, 1913.

M. Pichon entirely agreed, and said that in the French Parliament there would be the same difficulty.

M. Cambon said that Russia had talked much too emphatically about an indemnity, and he had pointed this out to M. Raffalovich, the Russian delegate to the Financial Commission in Paris.

M. Pichon gave it to be understood that the clear expression of our views in opposition to an indemnity had been welcome in Paris. The position of France in the matter was a difficult one, owing to her relations with Russia.

I am, &c.
E. GREY.

[28291] No. 468.

Foreign Office to India Office.

Sir, *Foreign Office, June 26, 1913.*

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 20th instant, regarding overtures made by the Amir of Hedj to the Residency Agent at Sharga and to the Sheikh of Debai.

I am to inform you, in reply, that Sir E. Grey concurs in the terms of the telegram, enclosed in draft in your letter, which the Marquess of Crewe proposes to address to the Government of India on the subject.

I am, &c.
W. LANGLEY.

[29402] No. 469.

Admiralty to Foreign Office.—(Received June 27.)

Sir, *Admiralty, June 26, 1913.*

I AM commanded by my Lords Commissioners of the Admiralty to acknowledge receipt of Foreign Office letter of the 24th instant, forwarding a copy of Mr. Greenway's letter of the 23rd *idem*, in which he draws attention to the steps that are necessary, in his opinion, to maintain the independence and British status of the Anglo-Persian and Burma Oil Companies, in the joint interests of the navy and of India.

My Lords desire me to state, for Sir Edward Grey's information, that their views are expressed in Admiralty letter of the 18th June to the India Office, a copy of which was forwarded to the Foreign Office in Admiralty letter of the 19th *idem*.

My Lords assume that Sir Edward Grey has furnished the India Office with a copy of Mr. Greenway's letter.

A copy of this letter has been sent to the India Office.

I am, &c.
W. GRAHAM GREENE.

[29420] No. 470.

Board of Trade to Foreign Office.—(Received June 27.)

(Confidential.)
Sir, *Board of Trade, June 26, 1913.*

WITH reference to your letter of the 17th June, transmitting copy of a letter from Sir H. Babington Smith with a memorandum of a recent conversation with Herr von Gwinner as to British participation in the Bagdad Railway Company, I am directed by the Board of Trade to forward to you herewith, for the information of Sir E. Grey, copy of a memorandum containing notes by Mr. G. S. Barnes on the financial aspect of Herr von Gwinner's proposals.

Having regard to the considerations set out in Mr. Barnes's notes, the Board are disposed to doubt if any steps could properly be taken by His Majesty's Government to encourage British participation in the Bagdad Railway on the terms outlined by Herr von Gwinner, and they consequently think it important that competent legal

PUBLIC RECORD OFFICE, LONDON

opinion on the point raised in the final paragraph of Mr. Barnes's memorandum should be obtained.

I am accordingly to suggest that, should Sir E. Grey see no objection, His Majesty's Embassy at Constantinople should be instructed to obtain such an opinion on the point with the least possible delay.

I am, &c.
GEO. J. STANLEY.

Enclosure in No. 479.

Memorandum respecting the Bagdad Railway.

BY the Bagdad Railway Convention of the 5th March, 1903, the Ottoman Government guaranteed an annuity of 11,000 fr. per kilometre constructed and worked, and a contract sum of 4,500 fr. per annum for working expenses.

The annuity of 11,000 fr. is to be met by an Ottoman State loan bearing interest at 4 per cent., with a small sinking fund redeemable during the period of the concession of ninety-nine years. The concessionnaires are to be entitled to a nominal sum of 269,110 fr. 65 c. of this State loan for each kilometre constructed and opened to traffic.

For the first section of 200 kilom. beyond Konia the Ottoman Government are to issue to the concessionnaires bonds to the face value of 54,000,000 fr., the concessionnaires to account for the surplus over 269,110 fr. 65 c. per kilometre.

By the Bagdad Railway 4 per cent. Loan Contract, First Series, 1903, the Ottoman Government agreed to create bonds representing 54,000,000 fr., or £ T. 2,376,000 nominal, secured by (1) a second mortgage of £ T. 36,000 a-year (subject to a prior mortgage of £ T. 138,000 a-year) on the tithes of the vilayet of Konia, and (2) a second mortgage of £ T. 70,000 (subject to a prior mortgage of £ T. 23,500 a-year) on the tithes of the sanjaks of Aleppo and Urfa.

Article II of this loan contract runs as follows:—

"The Deutsche Bank shall be entrusted with the service of the interest and sinking fund of the present loan irrevocably and for the whole length of its duration.

"The Imperial Ottoman Government allocate to the Deutsche Bank ¾ per cent. on the sums paid either by it or through the financial houses which it shall designate for the service of the interest and sinking fund on the present loan."

By the Bagdad Railway 4 per cent. Loan Contract, Second and Third Series, 1908, the Ottoman Government agreed to create a loan comprising two series, the second series to represent the sum of 108,000,000 fr., or £ T. 4,752,000 nominal, the third series to represent the sum of 119,000,000 fr., or £ T. 5,236,000 nominal. The total sum of the second and third series of bonds is intended to be equivalent to the kilometric guarantee of 11,000 fr. per kilometre per annum granted for the portion of the railway from Bulgurlu to El Helif and the branch line from Tel-Habesh to Aleppo, a total length of about 840 kilom. The security pledged for the benefit of these two series of bonds consists of two sums of £ T. 200,000 and £ T. 220,000 respectively, payable out of the surplus of the net receipts of the Ottoman Public Debt accruing to the Imperial Ottoman Government under article 7 of the supplementary decree annexed to the decree of the 28th Mouharrem, 1299, after deducting the 3 per cent. customs surtax.

These two sums of £ T. 200,000 and £ T. 220,000 are to rank after an annual sum of £ T. 124,959, and neither sum is apparently to become payable until certain advances, amounting in all to £ T. 850,000, have been repaid.

In addition, a further charge is given on the first receipts from the aghnams of the vilayets of Konia, Adana, and Aleppo.

Further, the Deutsche Bank, by article II, is entrusted with the service of the interest and sinking fund of the second and third series, and the bank is entitled to ¾ per cent. on the sums paid either through it or through the banking houses named by it in the same manner as for the first series.

There is no definite information as to the cost of the first section, but an estimate is contained in a Foreign Office paper of the 26th March, 1907, of 6,000*l.* per mile, with another 1,000*l.* per mile for rolling-stock, making 7,000*l.* in all, or about 875,000*l.* for the whole section. This paper also states that the bonds representing the construction annuity for the first section appear to have realised 1,750,000*l.*, besides bonds for 3,210,500 fr. (face value), which were kept in reserve.

If these estimates are accurate, there must have been a very large profit on the construction of the first section.

The paper above referred to states (p. 7):—

"The second section of the railway (from Bourgourlu to a point 25 kilom. beyond Adana) is by far the most difficult from an engineering point of view, and the cost will be exceptionally heavy. In crossing the Taurus Mountains it is stated that there will be some thirteen bridges to be constructed, and nearly 9½ kilom. of tunnelling, besides several cuttings through bedrock. It has been estimated that the cost of building this section may well exceed 2,500,000*l.*, thus leaving a deficit of at least 750,000*l.*, assuming that the loan for the construction annuity for the second section produces about 1,750,000*l.* If the 600,000*l.** economised on the first section is used in financing the second section, this deficit will not be so serious a matter, but it has also to be borne in mind that the construction of railways where much tunnelling is required is notoriously an undertaking of which it is very difficult to forecast the cost."

It appears from Sir H. Babington Smith's interview with Herr von Gwinner that the Bagdad Railway Company has applied 200,000*l.* of the profit made on the first section in paying up the 50 per cent. remaining unpaid on the issued capital of the Bagdad Railway Company, amounting to about 600,000*l.* In other words, the original subscribers of the 600,000*l.* have been given a bonus out of a sum which ought not by any rule of sound finance to be considered profits earned until the whole cost of the railway has been ascertained.

The railway company apparently did not undertake the construction of the first section itself, but handed over the task to a "Société pour la Construction du Chemin de Fer Konia–Eregli," founded for this purpose and having its headquarters at Frankfort. This society employed a firm of contractors, who undertook to complete the section for a specified sum per kilometre, the amount of the contract not being disclosed anywhere on the papers.

There does not seem to be any reason for the creation of this construction company, unless its object has been to secure larger profits for the promoters than they would otherwise have received. The construction company apparently charges cost price with the addition of 10 per cent. There is nothing to show that the construction company does anything in return for this 10 per cent. There is also nothing to show why the railway company should not have made its contract direct with the contractors, and have thus avoided the addition of 10 per cent. to the cost of the contract. The device of a construction company working side by side with another company is a very common device among promoters in this country, where it is desired, by watering the capital or otherwise, to secure larger profits for the promoters. The contract for the whole line has apparently been made with a German firm—Messrs. Holzmann. Consequently the rails and rolling-stock will probably be supplied in Germany, though I note Herr von Gwinner says that some rails have been bought in Belgium and some in Russia.

Exactly the same comment seems to be applicable to the creation of a syndicate for selling the bonds issued by the Ottoman Government. There is no obvious reason why the railway company should not enter into a contract direct with firms of financiers for the purpose of selling the bonds. The interposition of the syndicate probably had for its object further profits for the benefit of the promoters.

The issued capital of the railway company is, as stated above, 600,000*l.*; half only subscribed in cash, the other half being paid up out of the profits on the construction of the first section. It is now proposed apparently to increase the capital from 600,000*l.* to 900,000*l.*, and it is proposed that a British group should come in and take out 10 per cent. of the total capital (90,000*l.*), to be paid for in cash at par.

Sir H. Babington Smith has pointed out how the subscribers for the new capital of 300,000*l.*, including the 90,000*l.* set aside for British subscribers, would be at a disadvantage as compared with the present holders of shares in the company. It is not clear for what purpose additional capital is required at all, unless it is assumed that the proceeds of the Turkish bonds will certainly be insufficient to build the remaining sections of the railway. If this is the assumption, the unsoundness of the company's finance in dividing the profit assumed to have been made on the building of the first section is made even clearer than before.

In any event, the sum of 90,000*l.* is almost a negligible sum when compared

* This amount is arrived at after deducting the payments for backsheesh.

with the cost of building the railway, and it is presumably not this sum which Herr von Gwinner hopes to obtain from English investors, but he presumably aims rather at British help in turning the Turkish bonds into cash.

From no point of view does any great inducement seem to be held out to the British investor. The share capital of the company has probably been watered to the extent of 50 per cent., without taking into account the fact that the contract price has apparently been increased by 10 per cent. owing to the interposition of the construction company. Moreover, intermediary profits have apparently been made in the post by the syndicate formed for the selling of the bonds. The syndicate has no prospect of future profits, but is under heavy liabilities, of which the new shareholders in the Bagdad Railway would have to bear their proportion. With two English directors on the board there would be a very small element of British control. The construction company is domiciled in Frankfort, and the contractors are a German firm. Consequently it is hardly likely that any benefit would accrue to English manufacturers of steel rails and of railway rolling-stock. The Deutsche Bank, moreover, seems to have secured to itself the profits arising from the administration of the loans.

There is no material to estimate the sufficiency or otherwise of the security offered for the bonds, but all the revenues charged seem to be subject to prior charges.

I would gladly try to unravel all the complications for Sir H. Ll. Smith, but at present there is not the material to do this, and the necessary information very likely will not be forthcoming. Information is needed with regard to the arrangements with the construction company and with the syndicate for selling the bonds, and with regard to the contract with Messrs. Holzmann. A full knowledge on these points seems to be necessary before any British representative could be asked to be a director.

I note that on Foreign Office paper No. 26615/13 Herr von Gwinner is represented as stating that "under Ottoman law directors on the board of a company must represent groups of shareholders. Therefore, if there were to be two British directors on the board of the Bagdad Railway they must represent British shareholders."

It seems desirable to ascertain what the rule is to which Herr von Gwinner refers. I never heard of any such rule, and am inclined to think that Herr von Gwinner is mistaken. It might be worth while to ask the opinion of Mr. H. E. Pears on the point.

G. S. B.

June 24, 1913.

[29422] No. 471.

India Office to Foreign Office.—(Received June 27.)

Sir, *India Office, June* 26, 1913.

IN reply to your letter of the 6th instant, regarding the proposed insertion in the draft convention with Turkey of a clause providing for extradition from Koweit, I am directed by the Secretary of State for India to forward, for the information of the Secretary of State for Foreign Affairs, copy of telegrams exchanged with the Government of India. The Marquess of Crewe concurs with that Government in preferring the formula:—

"His Majesty's Government will use their good offices to ensure that Turkish criminals shall not be received in the territory of Koweit, and if found shall be expelled therefrom. Similarly they will use their good offices to ensure that Koweiti criminals shall not be received in Turkish territory, and if found shall be expelled therefrom."

I am, &c.
T. W. HOLDERNESS.

Enclosure 1 in No. 471.

Marquess of Crewe to Government of India.

(Telegraphic.) P. *India Office, June* 17, 1913.

KOWEIT.

With reference to the telegram of the 10th instant from the Resident, Bushire, regarding extradition, the Foreign Office have suggested the following alternatives after discussion with Captain Wilson:—

His Majesty's Government will use their good offices—

1. To prevent Koweit from becoming a place where criminals of Turkish nationality may find refuge.

2. To ensure that Koweit territory shall not harbour Turkish criminals and bad characters, who, if found there, shall be expelled. Similarly, Turkish territory is not to harbour criminals and bad characters of Koweit, who, if found there, shall be expelled.

The second alternative has the advantage of a reciprocal character.
(Repeated to Bushire.)

Enclosure 2 in No. 471.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *June* 23, 1913.

EXTRADITION from Koweit.

Please see your telegram dated the 17th instant.

The phraseology of the second alternative seems to us preferable; the words "bad characters and" should, however, we suggest, be omitted, as opportunity for very extensive demands for expulsion would be afforded by the use of this expression, and different opinions might possibly be held as to the meaning of "bad character." The sheikh will presumably have an equal right to our informal assistance in support of any demands he may reasonably make for his dependents to be expelled from Turkish territory.

[29490] No. 472.

Tigris and Euphrates Navigation Draft Concession.—(Communicated by Lord Inchcape, June 27, 1913.)

BETWEEN his Excellency Hakki Pasha, the duly authorised representative of the Imperial Ottoman Government, of the first part, and the Right Honourable James Lyle, Baron Inchcape, G.C.M.G., K.C.S.I., K.C.I.E. (hereinafter called "the concessionnaire"), of the second part, it has been agreed as follows:—

1. The Imperial Ottoman Government grants to the concessionnaire:—

(*a.*) The exclusive right of navigation as defined in articles 5 to 7 hereof.

(*b.*) The liberty of navigation as defined in articles 9, 10, and 13 hereof.

(*c.*) The authority and right to execute all or any of the works, and to take all or any of the measures as defined in articles 11 and 13 hereof.

(*d.*) The authority and right to make and enforce rules and bye-laws as defined in articles 12 and 13 hereof.

(*e.*) The exemption from taxes as defined in article 14 hereof.

(*f.*) The right to transfer the benefit of this concession as required by article 4.

2. The concessionnaire undertakes with all reasonable despatch to form an Ottoman company (hereinafter called "the company," which expression shall include, where the context so permits, its successors and assigns), for the purpose of exercising the rights and liberties hereby granted, and the Imperial Ottoman Government undertakes to afford all necessary facilities for the formation of such company with the least possible delay.

3. In case the concessionnaire shall become incapacitated by illness or otherwise from proceeding to form the said company, the Imperial Ottoman Government undertakes to transfer the benefit of this concession to a successor nominated by His Britannic Majesty's Government and accepted by the Imperial Ottoman Government, and the term "concessionnaire" in this concession shall be construed to include any successor to whom the benefit of this concession may be so transferred.

4. As soon as possible after the formation of the company the concessionnaire shall, upon the company indemnifying him in respect of all costs, expenses, and liabilities incurred in and about obtaining this concession, forming the company or otherwise in the exercise of or in preparing for the exercise of the rights and liberties hereby granted, transfer to the company the benefit of this concession, and all rights and interests acquired by the concessionnaire in pursuance thereof.

5. The exclusive right granted under article 1 (*a*) hereof, is the exclusive right to navigate the waters defined in article 6 by means of vessels and craft of any description wholly or partially propelled by steam, internal combustion engines, electrical or any other mechanical motive power, and with or without other vessels or craft in tow.

Provided that nothing herein contained shall be construed to extend to navigation undertaken solely for purposes other than trade or commerce.

Provided also that nothing herein contained shall in any way impair the liberties at present enjoyed by Messrs. Lynch or their nominees with respect to steam navigation on the Rivers Tigris and Euphrates, which liberties as defined in the first schedule hereto are fully reserved.

Provided also that nothing herein contained shall detract from the existing rights of the Bagdad Railway Company with respect to the transport of material for the construction of the railway.

6. The waters in respect of which the exclusive right is granted are the waters of the Tigris at and between Mosul and Kurna, both inclusive, and the waters of the Euphrates at and between Meskineh and Kurna, both inclusive, and all waters which are or may hereafter become navigable and which are or may hereafter become connected either with the Tigris at and between Mosul and Kurna, both inclusive, or with the Euphrates at and between Meskineh and Kurna, both inclusive.

7. The exclusive right shall commence upon the date upon which the transfer of property provided for in article 17 takes place, and shall continue for the term of sixty years from that date and thereafter for successive terms of ten years, unless at least five years before the expiration of the said term of sixty years or of any of the said terms of ten years notice in writing is given to the company of the intention of the Imperial Ottoman Government to determine the exclusive right at the expiration of the term during which such notice is given.

8. The Imperial Ottoman Government undertakes to protect the company in the enjoyment of the exclusive right hereby granted and to take all necessary steps to prevent the infringement thereof and not to grant to third parties any rights which may impair the full enjoyment thereof by the company.

9. The liberty granted under article 1 (*b*) hereof is the unrestricted liberty to navigate upon the waters defined in article 10 by means of vessels and craft of any description whatsoever in such manner as the company in its uncontrolled discretion may deem best, and in particular without restriction or condition as to the number or description or manner of propulsion towage or traction of the vessels employed and to enter and lie at all ports harbours and places to which the said waters give access and to ship carry or land passengers or cargo and transfer the same from one vessel to another or to or from the shore at any place or places on the said waters in such manner and upon such terms as the company may from time to time determine and generally to do all such acts as are reasonably incident to the undertaking of a navigation company carrying on business on the said waters.

10. The waters in respect of which the said liberty is granted are the waters defined in article 6 and also the waters at and between Kurna and the sea.

11. The authority and right granted under article 1 (*c*) hereof is the authority and right to dredge or otherwise deepen or improve the channel or course of any waters which are included or if rendered navigable would be included in the description contained in article 6 hereof or the navigation thereof and to light buoy or otherwise take measures for the safety and convenience of the navigation of the said waters.

Provided that nothing herein contained and no act done in pursuance hereof shall be deemed to impose any obligation or duty upon the company to execute any such works or take any such measures or perform any other obligation or duty whatsoever.

12. The authority and right granted under article 1 (*d*) hereof is the authority and right to make and enforce such rules and bye-laws as the company may deem expedient for the regulation and conduct of the navigation of the waters which are included or if rendered navigable would be included in the description contained in article 6 hereof and the Imperial Ottoman Government shall (if so required by the company) give such legal or other effect to such rules and bye-laws as may be necessary or desirable to enable the company to enforce same.

Provided that such rules and bye-laws shall not apply to the navigation by the Imperial Ottoman Government of the said waters for the naval or military purposes of the Ottoman Empire.

Provided also that such rules and bye-laws shall not impair the liberties at present enjoyed by Messrs. Lynch or their nominees as defined in the first schedule hereto.

13. The rights liberties and authorities hereby granted (other than the said exclusive right as defined by articles 5 to 7 hereof) are granted in perpetuity.

14. The rights liberties and authorities hereby granted shall be enjoyed by the concessionnaire and the company free of all taxes charges rates duties dues assessments or other impositions now or at any time hereafter to be imposed levied or charged by the Imperial Ottoman Government or by any local governments municipalities conservancies or other bodies whatsoever and the company shall at all times be free and exempt from all other taxes charges rates duties dues assessments or other impositions now or at any time hereafter to be imposed levied or charged by the Imperial Ottoman Government or any local governments or municipalities conservancies or other bodies whatsoever upon persons or companies situate or trading in the Ottoman Empire or upon any lands rights or liberties enjoyed or possessed by them. No dues or other charges whatsoever shall be imposed levied or charged by the Imperial Ottoman Government or by any local governments or municipalities conservancies or other bodies whatsoever upon or in respect of passengers or goods going to or from the company's vessels or premises other than and except the usual customs duties on imports or exports.

15. The constitution and statutes of the company shall be such and in such form as the concessionnaire shall in his absolute discretion deem best suited to the objects of the company. Provided nevertheless that such statutes shall (subject to any agreement between the Imperial Ottoman Government and the concessionnaire to the contrary and subject to any alteration therein which may from time to time be made in accordance with the powers in that behalf in the said statutes to be contained) contain provisions securing that:—

(*a.*) There shall be a president of the company, who shall, so long as the Imperial Ottoman Government shall so desire, be an Ottoman subject nominated by the Imperial Ottoman Government.

(*b.*) The president, or in his absence the chairman of the board of directors, shall preside at all general meetings of the shareholders, and in case of equality of voting shall have a casting vote in addition to the vote or votes to which he may be entitled as a shareholder.

(*c.*) Every shareholder shall (subject to any special terms as to voting upon which new capital may be issued) have one vote in respect of every share held by him.

(*d.*) The Imperial Ottoman Government shall be entitled to nominate one-half of the first directors of the company, who (except as agreed between the Imperial Ottoman Government and His Britannic Majesty's Government) shall be Ottoman subjects or British subjects. The other half of the first directors of the company shall be nominated by the concessionnaire and approved by His Britannic Majesty's Government, and shall be British subjects.

After the first appointment of directors, one-half of the directors shall always be British subjects approved by His Britannic Majesty's Government, and the other half of the directors shall always be Ottoman subjects or British subjects. Directors, whether first or subsequent, approved by His Britannic Majesty's Government, are hereinafter referred to as "British approved directors."

Provided that nothing herein contained shall prevent the board of directors (hereinafter referred to as "the board") from acting at any time during which the constitution of the board shall not comply with the provision last above mentioned, provided that at least two British approved directors shall concur in and vote in favour of the action proposed.

In the event of any vacancy occurring in the British approved directors, the remaining British approved directors shall be entitled, subject to the approval of His Britannic Majesty's Government, to appoint a duly qualified British subject to fill such vacancy.

The approval of His Britannic Majesty's Government to the appointment of any British approved director shall be assumed to have been given unless the contrary is notified.

His Britannic Majesty's Government shall have the right at any time to remove any one or more of the British approved directors, other than the concessionnaire.

Each director shall have one vote, provided that at any meeting of the board at which the chairman, or in his absence the deputy-chairman, so directs, the directors shall vote in units. For the purpose of this article, the British approved directors shall constitute one unit and the other directors for the time being of the company shall constitute the other unit.

Each unit so constituted shall have one vote, which shall be given in accordance

with the wishes of the majority of members of that unit present at the meeting, and in case such members shall be equally divided, the chairman, or in his absence the deputy-chairman in the case of the British approved directors, and in the case of the other directors the president of the company, if a director of the company, shall respectively be entitled to a casting vote in determining how the vote of that unit shall be cast.

In case of equality of voting at any board meeting at which the directors are voting by units, the chairman, or in his absence the deputy-chairman, shall have a casting vote in addition to the vote of his unit.

The board may determine the quorum necessary to constitute a meeting of the board, provided that the presence of two British approved directors shall always be requisite to constitute a quorum.

(*e.*) The chairman of the board and also the deputy-chairman shall always be a British approved director. At every meeting of the board the chairman, if present, or in his absence the deputy-chairman, shall preside, and in case of equality of voting at any meeting of the board shall have a casting vote in addition to his ordinary vote as a director. The first chairman of the board shall be the concessionaire, who shall retain such office during his pleasure. Subsequent chairmen and all deputy-chairmen shall be elected by the board, subject to the right of His Britannic Majesty's Government to supersede such subsequent chairmen and all deputy-chairmen so elected, and to appoint chairmen or deputy-chairmen in their places.

(*f.*) The company shall take over and adopt any provisional contracts or agreements for the appointment of managers, managing agents, or agents made by the concessionnaire on behalf of the company prior to its incorporation.

(*g.*) Subject to the provisions herein contained, the entire conduct and management of the affairs of the company shall be vested in the board.

(*h.*) The powers of the board shall only be controlled, limited, or extended by a resolution passed by a majority of not less than three-fourths of the members of the company entitled to vote as are present in person or by proxy at a general meeting of the company, and the statutes of the company shall only be altered by a like resolution.

(*i.*) The head office of the company shall be in London, and the general meetings of shareholders, and also the meetings of the board, shall be held in London.

(*j.*) No transfer of shares in the company shall be valid until approved by the board, and also, if the transferor be a British subject, approved by His Britannic Majesty's Government. Any such approval may be given or withheld at the absolute discretion of the board and/or of His Britannic Majesty's Government, as the case may be, and without their being liable to state the ground of any such refusal.

Provided that, in the case of any proposed transfer in which the transferor is a British subject, no transfer to a person who is not a British subject may be approved until the shares in question have been first offered to and refused by a British subject or subjects approved by His Britannic Majesty's Government, and subsequently offered to an Ottoman subject or subjects approved by the Imperial Ottoman Government; and in the case of any proposed transfer in which the transferor is an Ottoman subject, no transfer to a person who is not an Ottoman subject may be approved until the shares in question have first been offered to and refused by an Ottoman subject or subjects approved by the Imperial Ottoman Government and subsequently offered to the concessionnaire or his nominee or nominees, and, failing him or them, to the chairman of the board for the time being or his nominee or nominees.

Every such offer must be an offer of the shares free of any charge or incumbrance whatsoever, and without any condition or restriction other than such as may be attached to the shares by the statutes of the company, and at the fair market price, or, if there is no market, then at such price as the board may determine to be the fair value thereof.

Any such offer shall be deemed to have been refused if it is not accepted within one month of the communication thereof to the Government concerned.

No shares or share warrants stating that the bearer thereof is entitled to the shares specified therein shall be issued, nor any share certificates including or having on the back thereof an instrument of transfer. No share shall be tranferable otherwise than by a written instrument of transfer registered in the books of the company.

(*k.*) The statutes may contain such provisions as the concessionnaire shall think fit with respect to the following matters, viz.:—

(1.) For regulating the conditions under which (if at all) any corporation shall be permitted to be a shareholder in the company.

(2.) For ensuring that no shares in the company shall be held by the holder thereof, directly or indirectly, upon trust for, or for the benefit or account of, or subject to the control of any other person, persons, or corporations whatsoever not expressly approved by the directors, and for enabling the directors to prevent any infringement of this provision by compelling a transfer of the shares by the holder, or otherwise as the directors may think fit.

16. The statutes shall further contain provisions for securing, so far as is practicable, that the number of shares allotted by the company at the first allotment shall be allotted in approximately equal proportions to Ottoman and British subjects. For the purpose of fixing the amount of the initial share capital to be paid up, so as to meet the requirements of the company, the directors may make such provision as to the amount to be paid up on the shares issued to British subjects as they may think fit, and may thereafter make such provisions as to calling for further payments in respect of such shares as they may from time to time think fit.

17. At a date (hereinafter referred to as the date of transfer) to be subsequently determined between the Imperial Ottoman Government and the concessionaire but not, except with the consent of the concessionnaire, to be more than two calendar months after the date of the formation of the company, the Imperial Ottoman Government shall transfer to the company, free of all mortgages, charges, liens, or other incumbrances:—

(*a.*) The property in which the Imperial Ottoman Government possesses any right or interest enumerated in the first part of the second schedule hereto.

(*b.*) Such other property as the concessionnaire shall elect in pursuance of article 18 hereof.

(*c.*) The benefit of such of the contracts enumerated in the second part of the second schedule hereto, as the concessionnaire shall elect to be transferred.

All property which is to be transferred by the Imperial Ottoman Government to the company shall be at the risk of the Imperial Ottoman Government until actually transferred to the company.

18. Upon the signature of this concession the Imperial Ottoman Government and the concessionnaire shall forthwith severally nominate an agent, and the agents so nominated shall prepare in conjunction a detailed list (herein referred to as List (A)) of the items of property included in Part I of the second schedule, and also a list (herein referred to as List (B)) of other property of the Imperial Ottoman Government employed in the business of navigation on the waters defined in article 10 which the Imperial Ottoman Government is willing to transfer, but is not included in Part I of the said schedule, and also, so far as is possible having regard to the fact that the date of transfer may not be determined, a list (herein referred to as List (C)) of the contracts included in Part II of the said schedule, with full particulars as to the terms thereof. Any corrections in the last-mentioned list shall from time to time be communicated to the concessionnaire's agent. Not less than one month before the date fixed as the date of transfer the concessionnaire shall communicate to the Imperial Ottoman Government the items of property included in List (B), which he desires to be transferred to the company, and the contracts included in List (C), the benefit of which he desires to be transferred to the company.

19. The consideration to be given to the Imperial Ottoman Government for the transfer of the property in List (A), and the property in List (B), which the concessionnaire elects to be transferred as aforesaid, shall be the fair value thereof, to be satisfied as provided in article 20. Such value shall not include any enhancement of value which might be attributed to them by reason of the existence of any goodwill attaching to the navigation business now carried on by the Imperial Ottoman Government, or by reason of any exclusive rights granted to, or any obligations imposed upon, the company. In case of failure to agree the said value the same shall be determined as provided in article 22.

20. The said consideration shall be satisfied by the allotment to a nominee or nominees of the Imperial Ottoman Government of shares in the company issued as fully paid, the nominal value of which shall be equal to the value determined in accordance with the provisions of article 19, and the amount of such consideration shall constitute the Ottoman one-half of the share capital referred to in article 16.

21. The consideration for the transfer of the benefit of the contracts included in List (C), which the concessionnaire shall elect to be transferred, shall be the undertaking by the company to perform the reciprocal obligations which would otherwise have to be performed in respect thereof by the Imperial Ottoman Government, such obligation being apportioned when necessary, so that the ratio of the obligation to be undertaken by

the company to the whole obligation originally undertaken by the Imperial Ottoman Government shall be equal to the ratio of the benefit transferred to the company to the whole benefit originally secured to the Imperial Ottoman Government in accordance with the terms of the contract.

22. In case of failure to agree as to the apportionment of such contracts, or as to the value of the properties to be transferred as aforesaid any difference shall be determined by an arbitrator to be mutually agreed by the company and the Imperial Ottoman Government, and failing agreement to be selected by the Imperial Ottoman Government out of four persons nominated by His Britannic Majesty's Government.

23. The fact that such difference may not have been determined at the date of transfer shall not be a reason for postponing the transfer, and the consideration for the transfer shall be secured by the issue of shares or by the issue of shares and the deposit, in a bank to be agreed upon, of cash or securities to the amount claimed, as the value of the property transferred by the Imperial Ottoman Government, and the Imperial Ottoman Government shall undertake that in the event of the value as determined by the arbitrator being less than the nominal value of the shares so issued, to subscribe in cash for the excess of shares allotted.

24. The company may, so far as they deem it necessary or desirable for the purposes of their undertaking, construct and open upon land required by them, docks, wharves, piers, landing stages, slipways, beacons, warehouses, workshops, depôts, and the like, which may be kept private or opened to the public upon such terms as the company may determine.

Provided that nothing herein contained shall detract from the rights conferred on the Bagdad Railway Company by article 23 of the Bagdad Railway Convention of the 5th March, 1903 (February 20th, 1318), which rights are fully reserved.

25. The enterprise being of public utility, land from time to time required by the company for the construction of docks, wharves, piers, landing stages, slipways, beacons, warehouses, workshops, depôts, and the like, or lands otherwise required for the purposes of the company's undertaking, belonging to private persons, shall be taken over in accordance with the law in expropriation, whenever it has not proved possible to come to an understanding between the company and the owners for the purchase of such land.

The Imperial Ottoman Government shall expropriate and hand over to the company the land so required and everything appertaining thereto. If any part of the land so required belongs to the Imperial Ottoman Government and is unoccupied, it shall be handed over free of charge to the company.

Land necessary for temporary occupation during works of construction shall be handed over to the company by the local authorities on condition that the company shall indemnify the owners.

26. The wood and timber necessary for the construction and working of the navigation service may be cut in the forests of the neighbouring districts which belong to the State, in accordance with the regulations relating thereto.

27. Subject to any express provisions contained herein, the company shall be subject to all the laws of the Ottoman Empire, now or hereafter imposed upon Ottoman persons and corporations generally, but no law shall be passed discriminating against the company.

28. The Imperial Ottoman Government undertakes generally to take all reasonable steps to facilitate the operations of the company.

29. No discrimination of any kind shall be made by the company or required by the Imperial Ottoman Government in respect of goods upon the ground of the domicile, place of business, or nationality of the owner, consignor, or consignee thereof, or of the country of origin, or destination thereof, or nationality or ownership of the vessel in which the goods are carried to or from Ottoman ports.

Provided that nothing herein contained shall prevent the company from taking such measures as may be deemed desirable by the company with respect to goods, of which the owner, consignor, or consignee is domiciled, or carries on business in the territory of any State, for the time being, at war with the Sublime Porte.

Similar discrimination in respect of the towage of vessels and craft is in like manner, and with the like proviso, forbidden.

30. The company shall, so soon as they have enjoyed a reasonable time in which to acquire experience in working this concession, but not later than six months after the formation of the company, submit to the Imperial Ottoman Government for approval, a table showing the minimum service which the company will normally provide, and also the maximum normal charges which the company will impose for the carriage of goods and passengers between places included in such service.

If within three months from the date of the submission of such a table no objection thereto shall have been notified to the company by the Imperial Ottoman Government, then the said table shall be deemed to be approved by the Imperial Ottoman Government. If any such objection to the said table shall be raised by the Imperial Ottoman Government and shall not be accepted, then the same shall be submitted to arbitration in manner provided by article 22.

Provided that any table shall cease to be binding upon the company, if at any time the profits of the company shall not be sufficient to pay a dividend of at least 6 per cent. upon the ordinary shares.

After the lapse of five years from the fixing by agreement or otherwise of such a table, or of any revision thereof, the same shall, at the request of the company, be open to revision from time to time, and any difference arising upon such request shall be determined in like manner and with the like proviso.

Provided that nothing herein contained, and no failure by the company to adhere to any table for the time being binding upon the company shall be made a ground for in any way detracting from or limiting any of the rights, liberties, authorities, or advantages granted by this concession, but shall only give the right to the Imperial Ottoman Government to claim a penalty as provided in article 31.

31. In case of failure by the company to adhere to the table (if any) fixed under article 30, for the time being binding upon the company, the Imperial Ottoman Government shall be entitled to give notice in writing to the company containing full particulars of the failure alleged, and requiring the company to adhere to the said table. If after the receipt of such notice the company shall wilfully persist in such failure for a period of not less than six months, the Imperial Ottoman Government shall have the right to claim a penalty not exceeding 5 per cent. of the net profits earned by the company during any year in which such failure shall continue after the expiration of the said six months. In no case can more than one penalty be claimed in respect of any one year. The right to such a penalty shall, if disputed by the company, be determined by an arbitrator in manner provided by article 22, and such arbitrator shall have an absolute discretion as to the amount of the fine to be awarded subject to the limit herein provided.

32. Notwithstanding anything hereinbefore provided, and as a measure preliminary to the formation of the company and transfer of this concession to the company, the concessionnaire shall, upon furnishing the guarantee hereinafter mentioned, be entitled at any time, upon giving one month's notice, to call upon the Imperial Ottoman Government to transfer to him all or any of the several items of property included in Part I of the second schedule, and also the benefit of such of the contracts enumerated in Part II of the same schedule as the concessionnaire shall elect to be so transferred, and also all the interests of the Imperial Ottoman Government in the navigation and other rights which are the subject of this concession, and to exercise by himself or his agents all the rights, liberties, and authorities hereby granted, and generally to carry on the said navigation and do all such acts incident thereto as he may in his absolute discretion think fit, subject to the reservations hereinbefore made for the protection of Messrs. Lynch and the Bagdad Railway Company, and the Imperial Ottoman Government shall, on or before the expiration of the said notice, transfer the said property and rights to the concessionnaire accordingly.

Provided that in the event of the concessionnaire exercising the right to take over the said property and rights prior to the incorporation of the company the company shall, as soon as possible after its incorporation (in addition to complying with the provisions contained in article 4 hereof), (*a*) adopt and take over all contracts, agreements, and arrangements made by the concessionnaire or his agents, and ratify and adopt all acts done by him or them in the exercise, or purported exercise, of the powers hereby granted, (*b*) indemnify the concessionnaire and his agents against all actions, proceedings, judgments, losses, claims, demands, and expenses whatsoever which he or they may at any time theretofore have suffered, sustained, or incurred, or may at any time thereafter suffer, sustain, or incur, in connection with the exercise, or purported exercise, by him or them of the rights, liberties, and authorities hereby granted, and generally with the carrying on of the navigation. And the concessionnaire shall thereupon account to the company for any profit which may have been earned by carrying on the said navigation as aforesaid.

The guarantee above mentioned shall be that of a London bank to be approved by His Britannic Majesty's Government, and shall be for the amount and in the form of the draft guarantee, which, for the purpose of identification, has been initialled by his Excellency Hakki Pasha and the concessionnaire.

33. Any difference which may arise as to the interpretation or carrying out of this

concession shall, subject to the express provisions herein contained, be referred for decision, at the request of either party concerned, to the International Court of Arbitration at The Hague.

SCHEDULE I.

THE rights of Messrs. Lynch or their nominees are as follows:—

(*a.*) To navigate the Rivers Tigris and Euphrates and to participate in the general right of navigation on the Shatt-el-Arab with two steamers flying the British flag.

(*b.*) To hold one steamer flying the British flag in reserve to replace either of the aforesaid steamers during disablement.

(*c.*) To tow by means of the said two steamers actually plying barges not exceeding two to each steamer.

(*d.*) To control one steamer flying the Turkish flag which shall be at liberty to navigate concurrently with the two steamers specified above and likewise to tow two barges.

SCHEDULE II.

Part I.

THE six steamers known respectively as "Hamidieh," "Burhanieh," "Frat," "Kesada," "Mosul," and "Bagdadi," with all their fittings appurtenances and gear.

2. All other vessels or craft (including boats, barges, and lighters) with all their fittings and appurtenances and gear.

3. All lands, buildings, piers, docks, wharves, landing stages, slipways, beacons, workshops, warehouses, offices, plant, appliances and the like now used in connection with the navigation of the waters defined in article 10 and all fittings and appurtenances.

4. The stock of fuel lubricants spare parts material for repairs and the like stored at the depots on the said waters at the date of transfer.

Part II.

CONTRACTS unexpired at the date of transfer and relating to:—

(*a.*) The hire or use of land and buildings.
(*b.*) The services of employés.
(*c.*) The supply of fuel and stores.
(*d.*) The drawing of barges and the carriage of passengers and goods.
(*e.*) The construction of works or buildings.

[29659] No. 473.

Tigris and Euphrates Navigation Draft Concession.—(Communicated by Lord Inchcape, June 27, 1913.)

Epitome.

Index.

(A.)—Rights granted by Imperial Ottoman Government.
(B.)—Concessionnaire's duty to form Company.
(C.)—Constitution of Company.
(D.)—Transfer of Undertaking by Imperial Ottoman Government.
(E.)—Supplementary Provisions.
(F.)—Schedules.

(A.)—The Imperial Ottoman Government Grant:— Reference No

1. The monopoly to navigate the rivers Tigris and Euphrates between Mosul and Kurna and Meskineh and Kurna with vessels propelled by steam or other mechanical power. 1*, 5, 7

Note:—

(*a.*) The monopoly does not apply to vessels propelled by rowing or sailing.

Reference No

(*b.*) The monopoly does not extend higher than Mosul and Meskineh, although under the declaration the concessionnaire could have taken any point higher up either river.

(*c.*) The monopoly is for a period of sixty years, and thereafter in successive periods of ten years determinable by the Imperial Ottoman Government on five years' notice. 7

(*d.*) The rights of Messrs. Lynch and the Bagdad Railway are reserved. 5

2. A general right to navigate both the monopoly waters and the Shatt-el-Arab. 1*, 9, 10, 13

Note:—

(*a.*) This right is granted in perpetuity, and includes the right to use rowing and sailing-boats (in common with others) over the monopoly waters. 13

3. The right to deepen, light, and buoy the channel of the monopoly waters, and the right to make and enforce bye-laws on the monopoly waters. 1*, 11, 13
1*, 12, 13

Note:—

(*a.*) This right does not apply to the Shatt-el-Arab.
(*b.*) These rights are granted in perpetuity. 13
(*c.*) The bye-laws do not apply to the Imperial Ottoman Government using the water for naval and military purposes, and the rights of Messrs. Lynch are reserved. 12

4. Exemption from taxes. 1*, 14

Note:—

(*a.*) No taxes or dues of any sort are to be charged other than the usual customs-duties on exports and imports. 14

(*b.*) The Imperial Ottoman Government, as owners of half initial share capital, will participate in this exemption.

(*c.*) Without it the value of the enterprise could be stultified.

(B.) The concessionnaire undertakes to form the company as soon as possible, and to transfer the concession to it. Should the concessionnaire die, His Majesty's Government is to nominate a successor for this purpose. 1*, 2, 3
4
3

(C.).—Constitution of company:—

These provisions cannot be epitomised effectively, but must be read in extenso. 15

Note.—The concessionnaire considers it essential that the constitution of the company should be left to him, otherwise great delay and inconvenience must arise. He has, however, detailed in the concession the points upon which he proposes to take special protection.

In other respects he proposes to form the company on general lines. The most important provisions are:—

(*a.*) The President is an Ottoman appointed by the Imperial Ottoman Government. 15*

(*b.*) The President presides at the meeting of shareholders with a casting vote. 15'

(*c.*) One-half of the first directors are to be British approved directors. The other half of the first directors are to be Ottoman or British subjects nominated by the Imperial Ottoman Government. 15'

(*d.*) One-half of the subsequent directors shall be British approved directors. The chairman or deputy chairman is to have a 15'

Reference No.

casting vote, and can direct that the Board shall vote by units composed of the British approved directors as one unit, the other directors the other unit.

(*e.*) The company is to take over any contract made by the concessionnaire for the appointment of managers of the company. 15'

(*f.*) The powers of the Board can only be overruled by a three-quarter majority of the shareholders. 15"

(*g.*) The head-office is to be, and meetings are to take place, in London. 15'

(*h.*) The transfer of shares is to be subject to the approval of the Board. 15'

(*i.*) The English and Ottoman subjects can only transfer their shares to foreigners after offering them to approved Ottoman subjects or concessionnaire respectively.

(*j.*) Adequate provisions to be made to see that the above principle is not defeated by declaration of trust. 15'

(D.)—Transfer of undertaking by Imperial Ottoman Government:—

The Imperial Ottoman Government is to transfer the whole undertaking to the company at a fair valuation to be agreed or to be determined by an arbitrator chosen by the Imperial Ottoman Government from four names submitted by His Majesty's Government. As consideration for the transfer the Imperial Ottoman Government are to receive one-half of the shares allotted by the company on the first allotment. The British group are to pay for the other half in cash, but as the company will not require, on starting, cash equal to the amount of the shares given to the Imperial Ottoman Government, the British shares will only be paid up to the extent of the working capital required, and will only rank for dividends in respect of the amount paid up upon them. 17 22 19, 20, 21 16

(E.)—Supplementary provisions:—

The company to be given—

(*a.*) Compulsory powers to purchase such land as they require and to construct docks, &c. The Imperial Ottoman Government shall transfer vacant Government land free. 25

(*b.*) The right to cut timber required in connection with the company's undertaking in the neighbouring forests in accordance with the regulations there. 26

Provisions have been inserted securing—

1. The company subject to Ottoman laws. 27
2. No discrimination to be made with regard to goods carried. 29

The company undertakes to submit a table of maximum charges, with appropriate penalties. 30, 31

Right for concessionnaire to take over the navigation undertaking pending formation of company and to work same for the company, accounting to the company for profits and furnishing the guarantee of a bank, in form agreed, for 50,000*l.* 32

Arbitration to The Hague except where provided to the contrary. 33

(F.)—Schedules.

[31851]

No. 474.

Tigris and Euphrates Navigation Draft Concession.—(Communicated by Lord Inchcape, June 27, 1913, and showing approximately modifications desired by Hakki Pasha at meeting of July 8, 1913.)

NOTE.—The additions suggested are printed in dark type, and the omissions suggested in erased type. The provisions as to which Hakki's criticisms were expressly reserved are shown in square brackets. Hakki Pasha asked that the draft, with the alterations suggested, should be translated into French before the next meeting as he could not deal with it finally in English.

BETWEEN his Excellency Hakki Pasha, the duly authorised representative of the Imperial Ottoman Government, of the first part, and the Right Honourable James Lyle, Baron Inchcape, G.C.M.G., K.C.S.I., K.C.I.E., (hereinafter called "the concessionnaire"), of the second part, it has been agreed as follows:—

1. The Imperial Ottoman Government grants to the concessionnaire:—

(*a.*) The exclusive right of navigation as defined in articles 5 to 7 hereof.

(*b.*) The liberty of navigation as defined in articles 9, 10, and 13 hereof.

(*c.*) The authority and right to execute all or any of the works, and to take all or any of the measures as defined in articles 11 and 13 hereof.

(*d.*) The authority and right to make and enforce rules and bye-laws as defined in articles 12 and 13 hereof.

(*e.*) The exemption from taxes as defined in article 14 hereof.

(*f.*) The right to transfer the benefit of this concession as required by article 4.

2. The concessionnaire undertakes with all reasonable despatch and in accordance with the provisions of article 4 to form an Ottoman company (hereinafter called "the company," which expression shall include, where the con-

text so permits, its successors and assigns), for the purposing of exercising the rights and liberties hereby granted, and the Imperial Ottoman Government undertakes to afford all necessary facilities for the formation of such company with the least possible delay, **and the concessionnaire shall be subject to a penalty of——in the event of his failing to form the said Company within——months from the date of the signature of the present convention.**

3. In case the concessionnaire shall become incapacitated by illness or otherwise from proceeding to form the said company, the Imperial Ottoman Government undertakes to transfer the benefit of this concession to a successor nominated by His Britannic Majesty's Government and accepted by the Imperial Ottoman Government, and the term "concessionnaire" in this concession shall be construed to include any successor to whom the benefit of this concession may be so transferred.

This clause to be deleted and embodied in the Declaration.

4. As soon as possible, **and not later than 1 year** after the formation of the company the concessionnaire shall, upon the company indemnifying him in respect of all costs, expenses, and liabilities incurred in and about obtaining this concession, forming the company or otherwise in the exercise of or in preparing for the exercise of the rights and liberties hereby granted, transfer to the company the benefit of this concession, and all rights and interests acquired by the concessionnaire in pursuance thereof.

5. The exclusive right granted under article 1 (*a*) hereof, is the exclusive right to navigate the waters defined in article 6 by means of vessels and craft of any description wholly or partially propelled by steam, internal combustion engines, electrical or any other mechanical motive power, and with or without other vessels or craft in tow.

Provided that nothing herein contained shall be construed to extend to navigation undertaken solely for purposes other than trade or commerce, **or to privately-owned pleasure vessels not plying for hire.**

Provided also that nothing herein contained shall in any way impair the liberties at present enjoyed by Messrs. Lynch or their nominees with respect to steam navigation on the Rivers Tigris and Euphrates, which liberties as defined in the first schedule hereto are fully reserved.

Provided also that nothing herein contained

shall detract from the existing rights of the Bagdad Railway Company with respect to the transport of material for the construction of the railway.

6. The waters in respect of which the exclusive right is granted are the waters of the Tigris at and between Mosul and Kurna, both inclusive, and the waters of the Euphrates at and between Meskineh and Kurna, both inclusive, and all waters which are or may hereafter become navigable and which are or may hereafter become connected either with the Tigris at and between Mosul and Kurna, both inclusive, or with the Euphrates at and between Meskineh and Kurna, both inclusive.

7. The exclusive right shall commence upon the date upon which the transfer of property provided for in article 17 takes place, and shall continue for the term of sixty years from that date and thereafter for successive terms of ten years, unless at least five years before the expiration of the said term of sixty years or of any of the said terms of ten years notice in writing is given to the company of the intention of the Imperial Ottoman Government to determine the exclusive right at the expiration of the term during which such notice is given.

8. The Imperial Ottoman Government undertakes to protect the company in the enjoyment of the exclusive right hereby granted and to take all necessary steps to prevent the infringement thereof and not to grant to third parties any rights which may impair the full enjoyment thereof by the company.

9. The liberty granted under article 1 (*b*) hereof is the unrestricted liberty to navigate upon the waters defined in article 10 by means of vessels and craft of any description whatsoever in such manner as the company in its uncontrolled discretion may deem best, and in particular without restriction or condition as to the number or description or manner of propulsion towage or traction of the vessels employed and to enter and lie at all ports harbours and places to which the said waters give access and to ship carry or land passengers or cargo and transfer the same from one vessel to another or to or from the shore at any place or places on the said waters in such manner and upon such terms as the company may from time to time determine and generally to do all such acts as are reasonably

incident to the undertaking of a navigation company carrying on business on the said waters.

10. The waters in respect of which the said liberty is granted are the waters defined in article 6 and also the waters at and between Kurna and the sea.

11. The authority and right granted under article 1 (c) hereof is the authority and right to dredge or otherwise deepen or improve the channel or course of any waters which are included or if rendered navigable would be included in the description contained in article 6 hereof or the navigation thereof and to light buoy or otherwise take measures for the safety and convenience of the navigation of the said waters. **The said authority and right is granted for a period of ninety-nine years from the date of the signature of the present convention and is thereafter subject to renewal at the option of the Imperial Ottoman Government.**

Provided that nothing herein contained and no act done in pursuance thereof shall be deemed to impose any obligation or duty upon the company to execute any such works or take any such measures or perform any other obligation or duty whatsoever.

12. The authority and right granted under article 1 (*d*) hereof is the authority and right to make and enforce such rules and bye-laws as the company may deem expedient for the regulation and conduct of the navigation of the waters which are included or if rendered navigable would be included in the description contained in article 6 hereof and the Imperial Ottoman Government shall (if so required by the company) give such legal or other effect to such rules and bye-laws as may be necessary or desirable to enable the company to enforce same.

Provided that such rules and bye-laws shall not apply to the navigation by the Imperial Ottoman Government of the said waters for the naval or military purposes of the Ottoman Empire.

Provided also that such rules and bye-laws shall not impair the liberties at present enjoyed by Messrs. Lynch or their nominees as defined in the first schedule hereto.

13. The rights liberties and authorities hereby granted (other than the said exclusive right as defined by articles 5 to 7 and 11 hereof) are granted in perpetuity.

Hakki Pasha said that the company would be subject to payment of dump duty, e.g., on transfers, and he reserved his comments as to the drafting of article 14 *as he wished to compare it with the corresponding article of the Baghdad Railway Convention* (1903).—A.P.

14. [The rights liberties and authorities hereby granted shall be enjoyed by the concessionaire and the company free of all taxes charges rates duties dues assessments or other impositions now or at any time hereafter to be imposed levied or charged by the Imperial Ottoman Government or by any local governments municipalities conservancies or other bodies whatsoever and the company shall at all times be free and exempt from all other taxes charges rates duties dues assessments or other impositions now or at any time hereafter to be imposed levied or charged by the Imperial Ottoman Government or any local governments or municipalities conservancies or other bodies whatsoever upon persons or companies situate or trading in the Ottoman Empire or upon any lands rights or liberties enjoyed or possessed by them. No dues or other charges whatsoever shall be imposed levied or charged by the Imperial Ottoman Government or by any local governments or municipalities conservancies or other bodies whatsoever upon or in respect of passengers or goods going to or from the company's vessels or premises other than and except the usual customs duties on imports or exports.]

15. The constitution and statutes of the company [shall be such and in such form as the concessionnaire shall in his absolute discretion deem best suited to the objects of the company. Provided nevertheless that such statutes] shall (subject to any agreement between the Imperial Ottoman Government and and the concessionnaire to the contrary and subject to any alteration therein which may from time to time be made in accordance with the powers in that behalf in the said statutes to be contained) contain provisions securing that :—

Hakki Pasha considered that it was undesirable to mention "His Britannic Majesty's Government" in this article. It seemed to Lord Inchcape and me that the object aimed at could be secured if the concessionnaire bound himself to His Majesty's Government by a separate instrument, in respect of most of the suggested omissions from this article.

As to voting by "units" we explained that this was indispensable if the British chairman was to have control, especially if Mr. Lynch were one of the British directors, but Hakki Pasha said he must reserve the point.—A. P.

(*a*.) There shall be a president of the company, who shall ~~so long as the Imperial Ottoman Government shall so desire~~, be an Ottoman subject nominated by the Imperial Ottoman Government.

(*b*.) The president, or in his absence the chairman of the board of directors, shall preside at all general meetings of the shareholders, and in case of equality of voting shall have a casting vote in addition to the vote or votes to which he may be entitled as a shareholder.

(*c*.) Every shareholder shall (subject to any special terms as to voting upon which new capital

may be issued) have one vote in respect of every share held by him.

(*d*.) The Imperial Ottoman Government shall be entitled to nominate one-half of the first directors of the company, who (except as agreed between the Imperial Ottoman Government and His Britannic Majesty's Government) shall be Ottoman subjects or British subjects. The other half of the first directors of the company shall be nominated by the concessionnaire and approved by His Britannic Majesty's Government, and shall be British subjects. After the first appointment of directors, one-half of the directors shall always be British subjects approved by His Britannic Majesty's Government, and the other half of the directors shall always be Ottoman subjects or British subjects. Directors, whether first or subsequent, approved by His Britannic Majesty's Government, are hereinafter referred to as "British approved directors."

Provided that nothing herein contained shall prevent the board of directors (hereinafter referred to as "the board") from acting at any time during which the constitution of the board shall not comply with the provision last above mentioned, provided that at least two British approved directors shall concur in and vote in favour of the motion proposed.

In the event of any vacancy occurring in the British approved directors, the remaining British approved directors shall be entitled, subject to the approval of His Britannic Majesty's Government, to appoint a duly qualified British subject to fill such vacancy.

The approval of His Britannic Majesty's Government to the appointment of any British approved director shall be assumed to have been given unless the contrary is notified.

His Britannic Majesty's Government shall have the right at any time to remove any one or more of the British approved directors, other than the concessionnaire.

Each director shall have one vote [provided that at any meeting of the board at which the chairman, or in his absence the deputy-chairman, so directs, the directors shall vote in units. For the purpose of this article, the British approved directors shall constitute one unit and the other directors for the time being of the company shall constitute the other unit].

[Each unit so constituted shall have one vote, which shall be given in accordance with the

wishes of the majority of members of that unit present at the meeting, and in case such members shall be equally divided, the chairman, or in his absence the deputy-chairman in the case of the British approved directors, and in the case of the other directors the president of the company, if a director of the company, shall respectively be entitled to a casting vote in determining how the vote of that unit shall be cast.]

[In case of equality of voting at any board meeting at which the directors are voting by units, the chairman, or in his absence the deputy-chairman, shall have a casting vote in addition to the vote of his unit.]

The board may determine the quorum necessary to constitute a meeting of the board, provided that the presence of two British approved directors shall always be requisite to constitute a quorum.

(*e*.) The chairman of the board and also the deputy-chairman shall always be a British approved director. At every meeting of the board the chairman, if present, or in his absence the deputy-chairman, shall preside, and in case of equality of voting at any meeting of the board shall have a casting vote in addition to his ordinary vote as a director. The first chairman of the board shall be the concessionnaire, who shall retain such office during his pleasure. Subsequent chairmen and all deputy-chairmen shall be elected by the board, subject to the right of His Britannic Majesty's Government to supersede such subsequent chairmen and all deputy-chairmen so elected, and to appoint chairmen or deputy-chairmen in their places.

(*f*.) The company shall take over and adopt any provisional contracts or agreements for the appointment of managers, managing agents, or agents made by the concessionnaire on behalf of the company prior to its incorporation.

(*g*.) Subject to the provisions herein contained, the entire conduct and management of the affairs of the company shall be vested in the board.

(*h*.) The powers of the board shall only be controlled, limited, or extended by a resolution passed by a majority of not less than three-fourths of the members of the company entitled to vote as are present in person or by proxy at a general meeting of the company, and the statutes of the company shall only be altered by a like resolution.

(*i*.) The head office of the company shall be in

London, and the general meetings of shareholders, and also the meetings of the board, shall may be held either in London or Constantinople.

(*j.*) No transfer of shares in the company shall be valid until approved by the board, and also, if the transferor be a British subject, approved by His Britannic Majesty's Government the Chairman for the time being. Any such approval may be given or withheld at the absolute discretion of the board and/or of His Britannic Majesty's Government the Chairman for the time being, as the case may be, and without their being liable to state the ground of any such refusal.

Provided that, in the case of any proposed transfer in which the transferor is a British subject, no transfer to a person who is [not a British subject may be approved until the shares in question have been first offered to and refused by a British subject or subjects approved by His Britannic Majesty's Government, and subsequently offered to an Ottoman subject or subjects approved by the Imperial Ottoman Government; and in the case of any proposed transfer in which the transferor is an Ottoman subject, no transfer to a person who is not an Ottoman subject maybe approved until the shares in question have first been offered to and refused by an Ottoman subject or subjects approved by the Imperial Ottoman Government and subsequently offered to the concessionnaire or his nominee or nominees, and, failing him or them, to the chairman of the board for the time being or his nominee or nominees.

Every such offer must be an offer of the shares free of any charge or incumbrance whatsoever, and without any condition or restriction other than such as may be attached to the shares by the statutes of the company, and at the fair market price or, if there is no market, then at such price as the board may determine to be the fair value thereof.

Any such offer shall be deemed to have been refused if it is not accepted within one month of the communication thereof to the Government concerned.

No shares or share warrants stating that the bearer thereof is entitled to the shares specified therein shall be issued, nor any share certificates including or having on the back thereof an instrument of transfer. No share shall be transferable otherwise than by a written instrument of transfer registered in the books of the company.

(*k.*) The statutes may contain such provisions

as the concessionnaire shall think fit with respect to the following matters, viz.:—

(1.) For regulating the conditions under which (if at all) any corporation shall be permitted to be a shareholder in the company.

(2.) For ensuing that no shares in the company shall be held by the holder thereof, directly or indirectly, upon trust for, or for the benefit or account of, or subject to the control of any other person, persons, or corporations whatsoever not expressly approved by the directors, and for enabling the directors to prevent any infringement of this provision by compelling a transfer of the shares by the holder, or otherwise as the directors may think fit.

16. The statutes shall further contain provisions for securing, so far as is practicable, that the number of shares allotted by the company at the first allotment shall be allotted in approximately equal proportions to Ottoman and British subjects. For the purpose of fixing the amount of the initial share capital to be paid up, so as to meet the requirements of the company, the directors may make such provision as to the amount to be paid up on the shares issued to British subjects as they may think fit, and may thereafter make such provisions as to calling for further payments in respect of such shares as they may from time to time think fit.

17. At a date (hereinafter referred to as the date of transfer) to be subsequently determined between the Imperial Ottoman Government and the concessionnaire but not, except with the consent of the concessionnaire, to be more than two calender months after the date of the formation of the company, the Imperial Ottoman Government shall transfer to the company, free of all mortgages, charges, liens, or other incumbrances:—

(*a.*) The property in which the Imperial Ottoman Government possesses any right or interest enumerated in the first part of the second schedule hereto.

(*b.*) Such other property as the concessionnaire shall elect in pursuance of article 18 hereof.

(*c.*) The benefit of such of the contracts enumerated in the second part of the second schedule hereto, as the concessionnaire shall elect to be transferred.

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All property which is to be transferred by the Imperial Ottoman Government to the company shall be at the risk of the Imperial Ottoman Government until actually transferred to the company.

18. Upon the signature of this concession the Imperial Ottoman Government and the concessionnaire shall forthwith severally nominate an agent, and the agents so nominated shall prepare in conjunction a detailed list (herein referred to as List (A)) of the items of property included in Part I of the second schedule, and also a list (herein referred to as List (B)) of other property of the Imperial Ottoman Government employed in the business of navigation on the waters defined in article 10 which the Imperial Ottoman Government is willing to transfer, but is not included in Part I of the said schedule, and also, so far as is possible, having regard to the fact that the date of transfer may not be determined, a list (herein referred to as List (C)) of the contracts included in Part II of the said schedule, with full particulars as to the terms thereof. Any corrections in the last-mentioned list shall from time to time be communicated to the concessionnaire's agent. Not less than one month before the date fixed as the date of transfer the concessionnaire shall communicate to the Imperial Ottoman Government the items of property included in List (B), which he desires to be transferred to the company, and the contracts included in List (C), the benefit of which he desires to be transferred to the company.

19. The consideration to be given to the Imperial Ottoman Government for the transfer of the property in List (A), and the property in List (B), which the concessionnaire elects to be transferred as aforesaid, shall be the fair value thereof, to be satisfied as provided in article 20. Such value shall not include any enhancement of value which might be attributed to them by reason of the existence of any good-will attaching to the navigation business now carried on by the Imperial Ottoman Government, or by reason of any exclusive rights granted to, or any obligations imposed upon, the company. In case of failure to agree the said value the same shall be determined as provided in article 22.

20. The said consideration shall be satisfied by the allotment to a nominee or nominees of the Imperial Ottoman Government of shares in the

company issued as fully paid, the nominal value of which shall be equal to the value determined in accordance with the provisions of article 19, and the amount of such consideration shall constitute the Ottoman one-half of the share capital referred to in article 16.

21. The consideration for the transfer of the benefit of the contracts included in List (C), which the concessionnaire shall elect to be transferred shall be the undertaking by the company to perform the reciprocal obligations which would otherwise have to be performed in respect thereof by the Imperial Ottoman Government, such obligation being apportioned when necessary, so that the ratio of the obligation to be undertaken by the company to the whole obligation originally undertaken by the Imperial Ottoman Government shall be equal to the ratio of the benefit transferred to the company to the whole benefit originally secured to the Imperial Ottoman Government in accordance with the terms of the contract.

22. [In case of failure to agree as to the apportionment of such contracts, or as to the value of the properties to be transferred as aforesaid any difference shall be determined by an arbitrator to be mutually agreed by the company and the Imperial Ottoman Government, and failing agreement to be selected by the Imperial Ottoman Government out of four persons nominated by His Britannic Majesty's Government.]

23. The fact that such difference may not have been determined at the date of transfer shall not be a reason for postponing the transfer, and the consideration for the transfer shall be secured by the issue of shares or by the issue of shares and the deposit, in a bank to be agreed upon, of cash or securities to the amount claimed, as the value of the property transferred by the Imperial Ottoman Government, and the Imperial Ottoman Government shall undertake that in the event of the value as determined by the arbitrator being less than the nominal value of the shares so issued, to subscribe in cash for the excess of shares allotted.

24. The company may, so far as they deem it necessary or desirable for the purposes of their undertaking, construct and open upon land required by them, docks, wharves, piers, landing stages, slipways, beacons, warehouses, workshops,

depôts, and the like, which may be kept private or opened to the public upon such terms as the company may determine.

Provided that nothing herein contained shall detract from the rights conferred on the Bagdad Railway Company by article 23 of the Bagdad Railway Convention of the 5th March, 1903 (February 20th, 1318), which rights are fully reserved.

25. The enterprise being of public utility, land from time to time required by the company for the construction of docks, wharves, piers, landing stages, slipways, beacons, warehouses, workshops, depôts, and the like, or lands otherwise required for the purposes of the company's undertaking, belonging to private persons, shall be taken over in accordance with the law in expropriation, whenever it has not proved possible to come to an understanding between the company and the owners for the purchase of such land.

The Imperial Ottoman Government shall expropriate and hand over to the company the land so required and everything appertaining thereto. If any part of the land so required belongs to the Imperial Ottoman Government and is unoccupied, it shall be handed over free of charge to the company.

Land necessary for temporary occupation during works of construction shall be handed over to the company by the local authorities on condition that the company shall indemnify the owners.

26. The wood and timber necessary for the construction and working of the navigation service may be cut in the forests of the neighbouring districts which belong to the State, in accordance with the regulations relating thereto.

27. Subject to any express provisions contained herein, the company shall be subject to all the laws of the Ottoman Empire, now or hereafter imposed upon Ottoman persons and corporations generally, but no law shall be passed discriminating against the company.

28. The Imperial Ottoman Government undertakes generally to take all reasonable steps to facilitate the operations of the company.

29. No discrimination of any kind shall be made by the company or required by the Imperial Ottoman Government in respect of goods upon the ground of the domicile, place of business, or nationality of the owner, consignor, or consignee

thereof, or of the country of origin, or destination thereof, or nationality or ownership of the vessel in which the goods are carried to or from Ottoman ports.

Provided that nothing herein contained shall prevent the company from taking such measures as may be deemed desirable by the company **Imperial Ottoman Government** with respect to goods, of which the owner, consignor, or consignee is domiciled, or carries on business in the territory of any State, for the time being, at war with the Sublime Porte.

Similar discrimination in respect of the towage of vessels and craft is in like manner, and with the like proviso, forbidden.

30. The company shall, so soon as they have enjoyed a reasonable time in which to acquire experience in working this concession, but not later than six months after the formation of the company, submit to the Imperial Ottoman Government for approval, a table showing the minimum service which the company will normally provide, and also the maximum normal charges which the company will impose for the carriage of goods and passengers between places included in such service.

If within three months from the date of the submission of such a table no objection thereto shall have been notified to the company by the Imperial Ottoman Government, then the said table shall be deemed to be approved by the Imperial Ottoman Government. If any such objection to the said table shall be raised by the Imperial Ottoman Government and shall not be accepted, then the same shall be submitted to arbitration [in manner provided by article 22].

Provided that any table shall cease to be binding upon the company, if at any time the profits of the company shall not be sufficient to pay a dividend of at least 6 per cent. upon the ordinary shares.

After the lapse of five years from the fixing by agreement or otherwise of such a table, or of any revision thereof, the same shall, at the request of the company, be open to revision from time to time, and any difference arising upon such request shall be determined in like manner and with the like proviso.

Provided that nothing herein contained, and no failure by the company to adhere to any table for the time being binding upon the company

shall be made a ground for in any way detracting from or limiting any of the rights, liberties, authorities, or advantages granted by this concession, but shall only give the right to the Imperial Ottoman Goverment to claim a penalty as provided in article 31.

31. In case of failure by the company to adhere to the table (if any) fixed under article 30, for the time being binding upon the company, the Imperial Ottoman Government shall be entitled to give notice in writing to the company containing full particulars of the failure alleged, and requiring the company to adhere to the said table. If after the receipt of such notice the company shall wilfully persist in such failure for a period of not less than six months, the Imperial Ottoman Government shall have the right to claim a penalty not exceeding 5 per cent. of the net profits earned by the company during any year in which such failure shall continue after the expiration of the said six months. In no case can more than one penalty be claimed in respect of any one year. The right to such a penalty shall, if disputed by the company, be determined by an arbitrator in manner provided by article 22, and such arbitrator shall have an absolute discretion as to the amount of the fine to be awarded subject to the limit herein provided.

32. Notwithstanding anything hereinbefore provided, and as a measure preliminary to the formation of the company and transfer of this concession to the company, the concessionnaire shall, upon furnishing the guarantee hereinafter mentioned, be entitled at any time, upon giving one month's notice, to call upon the Imperial Ottoman Government to transfer to him all or any of the several items of property included in Part I of the second schedule, and also the benefit of such of the contracts enumerated in Part II of the same schedule as the concessionnaire shall elect to be so transferred, and also all the interests of the Imperial Ottoman Government in the navigation and other rights which are the subject of this concession, and to exercise by himself or his agents all the rights, liberties, and authorities hereby granted, and generally to carry on the said navigation and do all such acts incident thereto as he may in his absolute discretion think fit, subject to the reservations hereinbefore made for the protection of Messrs. Lynch and the

Bagdad Railway Company, and the Imperial Ottoman Government shall, on or before the expiration of the said notice, transfer the said property and rights to the concessionnaire accordingly.

Provided that in the event of the concessionnaire exercising the right to take over the said property and rights prior to the incorporation of the company the company shall, as soon as possible after its incorporation (in addition to complying with the provisions contained in article 4 hereof), (*a*) adopt and take over all contracts, agreements, and arrangements made by the concessionnaire or his agents, and ratify and adopt all acts done by him or them in the exercise, or purported exercise, of the powers hereby granted, (*b*) indemnify the concessionnaire and his agents against all actions, proceedings, judgments, losses, claims, demands, and expenses whatsoever which he or they may at any time theretofore have suffered, sustained, or incurred, or may at any time thereafter suffer, sustain, or incur, in connection with the exercise, or purported exercise, by him or them of the rights, liberties, and authorities hereby granted, and generally with the carrying on of the navigation. And the concessionnaire shall thereupon account to the company for any profit which may have been earned by carrying on the said navigation as aforesaid.

The guarantee above mentioned shall be that of a the London bank to be approved by His Britannic Majesty's Government, **agency of the Imperial Ottoman Bank**, and shall be for the amount and in the form of the draft guarantee, which, for the purpose of identification, has been initialled by his Excellency Hakki Pasha and the concessionnaire.

33. Any difference which may arise as to the interpretation or carrying out of this concession shall, subject to the express provisions herein contained, be referred for decision, at the request of either party concerned, to the International Court of Arbitration at The Hague.

Notes.—Hakki Pasha suggested that there should be articles providing for service telephones and telegraphs (see article 31 of Bagdad concession), for protection of antiquities, for the cheap transport of troops, for the accommodation of police agents on steamers and landing stages, and for the employment of Ottoman subjects only as minor officials.—A.P.

SCHEDULE I.

THE rights of Messrs. Lynch or their nominees are as follows:—

(*a.*) To navigate the Rivers Tigris and Euphrates and to participate in the general right of navigation on the Shatt-el-Arab with two steamers flying the British flag.

(*b.*) To hold one steamer flying the British flag in reserve to replace either of the aforesaid steamers during disablement.

(*c.*) To tow by means of the said two steamers actually plying barges not exceeding two to each steamer.

(*d.*) To control one steamer flying the Turkish flag which shall be at liberty to navigate concurrently with the two steamers specified above and likewise to tow two barges.

Note.—We submitted the following to Hakki Pasha in substitution for Schedule 1:—

The rights of Messrs. Lynch or their nominees are as follows:—

(*a.*) To navigate the Rivers Tigris and Euphrates and their tributaries and navigable canals, with two steamers or other mechanically propelled vessels flying the British flag, and to participate in the general right of navigation on the Shatt-el-Arab.

(*b.*) To hold one steamer flying the British flag in reserve to replace either of the aforesaid steamers during disablement.

(*c.*) To tow by means of the said two steamers actually plying barges not exceeding two to each steamer.

(*d.*) To control one steamer (flying the Turkish flag when plying and the British flag when in port) which shall be at liberty to navigate concurrently with the two steamers specified above and likewise to tow two barges.

SCHEDULE II.

Part I.

THE six steamers known respectively as "Hamidieh," "Barhanieh," "Frat," "Kesafa," "Mosul," and "Bagdadi," with all their fittings appurtenances and gear.

2. All other vessels or crafts (including boats, barges, and lighters) with all their fittings, and appurtenances and gear.

3. All lands, buildings, piers, docks, wharves, landing stages, slipways, beacons, workshops, warehouses, offices, plant, appliances and the like now used in connection with the navigation of the waters defined in article 10 and all fittings and appurtenances.

4. The stock of fuel lubricants spare parts material for repairs and the like stored at the depôts on the said waters at the date of transfer.

Part II.

CONTRACTS unexpired at the date of transfer and relating to:—

(*a.*) The hire or use of land and buildings.
(*b.*) The services of employés.
(*c.*) The supply of fuel and stores.
(*d.*) The drawing of barges and the carriage of passengers and goods.
(*e.*) The construction of works or buildings.

[30094] No. 475.

Sir Edward Grey to Sir E. Goschen.

(No. 208.)
Sir, *Foreign Office, June 27, 1913.*

I TOLD the German Ambassador to-day, with regard to the visit to London of the President of the French Republic, that, as far as general politics were concerned, the speeches that had been made by the King and the President represented entirely what our conversations had been. All our talk on general politics had been on the lines of these speeches, in the tone and spirit of them. In fact, I had never had conversations that were more peaceful in tendency.

We had discussed certain specific questions of the moment. Our first preoccupation had been the danger of war between the Balkan allies themselves, and on this we had found ourselves in complete agreement that all our efforts should be devoted to localising the war. I had suggested that, if this was to be done, it would be necessary to have an understanding that nothing that happened in a war between the allies was to upset the decisions already come to by the Great Powers about Albania. I found that the French view agreed with this.

Respecting Asiatic Turkey, I had observed that there were two possible courses. One was to consolidate the remaining Turkish dominions and to put Turkey on her feet. This would require reforms, including financial organisation, and also assistance from financiers. I had pointed out that, for this purpose, the International Financial Commission in Paris should avoid placing impossible burdens upon Turkey. The other course was a division of Asiatic Turkey into spheres of interest. This would lead to partition and to the complete disappearance of the Turkish Empire. I found that the French Government agreed that the first of these courses was entirely preferable to the other.

I said to the German Ambassador that I imagined that, on these two questions: of localising the war between the allies, if war broke out between them, and of making it our object to preserve the Asiatic dominions of Turkey, the German Government would be in agreement with us.

The Ambassador entirely concurred. He said that Herr Gwinner had talked too much in London about spheres of interest in Asiatic Turkey. It was perhaps natural for any one concerned, as he was, with special interests in special parts to talk in this way, but he had said more than was desirable. The view of the German Government was that every effort should be made to maintain the Turkish dominions, and not to divide them. Of course, if Turkish authority did collapse altogether, Germany would have special interests to preserve. The Ambassador went on to say that the Arabs seemed to be rather restless, and an Arab chief from Nejd had already made advances to the Germans, apparently on the assumption that Turkish rule was being broken up; but the Germans had declined to entertain his advances. Amongst other things, they regarded Nejd as a place where there would naturally be British interests.

I said that we also had had advances of the same sort made to us from chiefs; I thought more in the region of Busra and the Persian Gulf; but we had not encouraged them, because they presupposed a break-up of Turkish authority. Amongst other things, it would give great offence to Moslem opinion in British territory if we took part in a policy of destroying the Turkish Government and dividing its territory.

In the course of the conversation the Ambassador expressed cordial appreciation of the King's speech at the banquet to M. Poincaré, and on my remarking that I thought he ought to be satisfied also with the speeches of M. Poincaré, especially with such things as he said at the Guildhall, the Ambassador concurred.

I am, &c.
E. GREY.

[29510] No. 476.

Sir G. Lowther to Sir Edward Grey.—(*Received June 28.*)

(No. 552. Confidential.)
Sir, *Constantinople, June 23, 1913.*

IN a telegram which I have just received from His Majesty's consul-general at Bagdad, some observations are put forward in regard to the question of the Mesopotamian

river service and of Messrs. Lynch's Company in regard to questions connected with the Bagdad Railway and the proposal for the establishment of an Anglo-German-Turkish company for the navigation of the Mesopotamian rivers.

Mr. Lorimer refers in particular to Confidential Print, "Asiatic Turkey and Arabia," April 12, Section 7 [16836], and May 7, Section 2 [20977]. He comments at some length on the statement contained in the seventh paragraph of the letter from the Euphrates and Tigris Steam Navigation Company as printed in the first of the two sections above referred to. In his opinion Mr. Parry's statement of opinion, viz., that the key of the railroad position, so far as British trade is concerned, is the railroad from Bagdad to the Persian frontier with the extension from Bagdad to the holy places, is a mistaken one. The Bagdad–Basra section, he considers, is likely to be the most important of the whole railway. Arguing on the analogy of the importance of the Samasta–Kurrachee line to the grain-growing districts of the Punjaub, he suggests that the grain grown in Mesopotamia, when once the irrigation works are completed, should form a large and profitable export trade from Basra, since, although the sea journey from Basra is longer than that of Kurrachee, the actual distance which the grain has to cover to reach Basra from Mesopotamia is half or a third of that at present entailed in the journey from the Punjaub to Kurrachee.

Mr. Lorimer is aware, of course, of the possibility of the Mesopotamian grain being sent to Europe as cheaply viâ Alexandretta as viâ Basra, but does not think this a very probable eventuality, especially if the Suez Canal dues are to be abated.

He is convinced that the river service will not survive the opening of the railway, and concludes therefore by urging the importance of His Majesty's Government securing adequate influence over this Bagdad–Basra section, adding that it is imperative that this section of the work should be pushed on quickly so as to place the Persian Gulf on a footing not inferior to the Mediterranean.

With regard to my despatch No. 379 of the 3rd ultimo (printed in [20977]), Mr. Lorimer states that the Eastern Bank is indirectly connected with the National Bank of Turkey, and that the largest shareholders are the Sassoon connection and financiers in Brussels and Paris.

He further suggests that in any arrangement which may be come to regarding river navigation, the carriage of British mails to Bagdad should be secured.

He had also heard confidentially that Mr. Lynch was manifesting some anxiety regarding the appearance of some rival in the fusion and monopoly schemes. Mr. Lorimer's informant was not, however, very definite with regard to the identity of this person.

A mutilated telegram in code from Mr. Lynch reached the representative last week enjoining him not to associate himself with any agitation in Bagdad, but mentioning some protest that was apparently to be made.

Mr. Lorimer reports that no such agitation exists there at present, and did not feel in a position to question the representative on the subject.

I have, &c.
GERARD LOWTHER.

[29511] No. 477.

Sir G. Lowther to Sir Edward Grey.—(*Received June* 28.)

(No. 553.)

Sir, *Constantinople, June* 24, 1913.

I HAVE the honour to forward herewith a despatch from His Majesty's consul at Basra, relative to arrangements at Basra for forwarding material for the construction of the Bagdad Railway.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 477.

Consul Crow to Sir G. Lowther.

(No. 31.)

Sir, *Basra, May* 21, 1913.

IN continuation of my despatch No. 12 of the 25th February last respecting arrangements at Basra for forwarding the material for the construction of the Bagdad

Railway, I have the honour to report that, in reply to my enquiries yesterday, I was informed that, of the five steam-tugs to be provided by the Société de Transports fluviaux en Orient under their agreement with the Bagdad Railway Company, the "Shirin" is now running, the "Sheytan" is launched from Lynch's dock and ready to run, but awaits orders from London, the "Shihab" is completed and is ready to be launched from Lynch's dock, the "Shuhrur" has just been laid down on the stocks, and is therefore under construction at Lynch's dock, and the "Summa" is on the steamship "Adalia," due here at the end of May. Of the eighteen barges promised, ten have been built in Lynch's dock and are now ready, and eight more remain to build.

My informant tells me that Lynch's contract with the Bagdad Railway Company has not yet begun to run, owing to the delay in providing the necessary means of transport, and that the present arrangements are outside the contract. A hitch appears to have occurred in providing the material, which for the past few months has been arriving in very small quantities, but 4,000 tons are expected in a month's time from now. The material, under these temporary arrangements, is being forwarded in barges towed by the "Shirin," belonging to the Société, the "Tekrit," "Samarra," and "Pioneer," belonging to Messrs. Wönckhaus and Co. or the Bagdad Railway Company, it is not clear which, and Lynch's own steamers. The Idare Nahrieh steamers and those of the Arab Steamship Company (Aga Jafer) are, I am informed, now assisting in the operations. I am given to understand that, when the necessary means of transport are provided by the Société de Transports fluviaux en Orient, the above vessels, with the exception of the "Shirin," will cease to co-operate, and the contract with the Bagdad Railway Company will begin to run.

I also learn that the Bagdad Railway depôt near Maghil is now completed, and that the engineer in charge, Herr Baacke, will shortly transfer his place of residence to the house of Messrs. Wönckhaus and Co. at Basra, leaving, it is presumed, a subordinate in charge at the depôt and directing operations from here.

I have, &c.
F. E. CROW.

[29500] No. 478.

Mr. Carnegie to Sir Edward Grey.—(*Received June* 28.)

(No. 346.)

Sir, *Paris, June* 26, 1913.

I HAVE the honour to acquaint you that, on receiving the instructions contained in your despatch No. 388 of the 23rd instant, I directed one of the secretaries of His Majesty's Embassy to make enquiry of the Ottoman Embassy and the Ministry for Foreign Affairs in order to ascertain their attitude towards the mission of the Beirout Reform Committee. The Turkish Ambassador, who himself received Mr. Ramsay as an acquaintance of long standing, stated that he did not recognise the mission in its corporate capacity, and its members had not yet called at the Turkish Embassy. Some of them were Syrian notables, and all were Ottoman subjects, and if they called Rifaat Pasha could not do otherwise than receive them, more especially as he was acquainted with several of their number. They were not a representative body, and his Excellency had telegrams from Aleppo and other places in Syria disclaiming any connection with them. He said that the Beirout Reform Committee had at one time enjoyed the confidence of the Ottoman Government, but that such was no longer the case.

His Excellency went on to say that although some of the Committee's proposals were inacceptable, as they practically amounted to a demand for autonomy, *e.g.*, the proposal that the revenue from taxes levied in Syria should be entirely devoted to that province, he had, nevertheless, advised his Government to adopt others which were more reasonable, such as those respecting the official recognition of the Arabic language.

Mr. Ramsay was informed at the Quai d'Orsay that several of the members of the mission had called at the French Ministry for Foreign Affairs, but that they had not been received by the Minister for Foreign Affairs nor by the Political Director. They had been received privately, however, two of them by M. de Margerie, Assistant Political Director, and the others by a subordinate official. They had not been given

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any encouragement in the objects of their mission, but had been informed that the present was not a suitable time to bring forward their proposals.

I have, &c.
LANCELOT D. CARNEGIE.

[29483] No. 479.

Board of Trade to Foreign Office.—(*Received June 28.*)

(Secret.)

Sir, *Board of Trade, June 26, 1913.*

WITH reference to previous correspondence relative to the proposed concession for the formation of a new Anglo-Turkish company for the navigation of the Euphrates and Tigris Rivers, I am directed by the Board of Trade to transmit to you herewith, for the information of the Secretary of State for Foreign Affairs, copy of correspondence which has recently passed between this Department and the Euphrates and Tigris Steam Navigation Company, together with the draft of a letter which, subject to Sir E. Grey's concurrence, they now propose to address to the Euphrates and Tigris Steam Navigation Company.

I am, &c.
H. LLEWELLYN SMITH.

Enclosure 1 in No. 479.

Mr. Ashley to Mr. Parry.

Dear Mr. Parry, *Board of Trade, June 2, 1913.*

WITH reference to your call here on Monday last, and to the suggestions which you then put forward with regard to the proposed arrangements in respect of the Euphrates and Tigris navigation, I am desired by Sir Hubert Llewellyn Smith to forward to you the enclosed *aide-mémoire*.

With reference to our telephonic conversation of Friday, I am to say that Sir H. Llewellyn Smith will be glad to see Mr. Lynch at 7, Whitehall Gardens at any time this week (except to-morrow, Tuesday, when this Department will be closed). It would be convenient, however, if the time could be arranged by telephone.

Yours very truly,
PERCY ASHLEY.

Enclosure 2 in No. 479.

Aide-mémoire respecting Euphrates and Tigris Navigation.

(Confidential.)

THE substance of the suggestions put forward by Mr. Parry on behalf of Messrs. Lynch and the Euphrates and Tigris Steam Navigation Company, at his interview at the Board of Trade on Monday, the 26th May, have been communicated to the proposed concessionnaire (Lord Inchcape) and discussed with him.

In reply, Lord Inchcape expresses his willingness, on behalf of the new company if formed, to conclude a working agreement with the Euphrates and Tigris Steam Navigation Company as to fares, rates, and the equitable apportionment of traffic between the two undertakings by means of a pool including a carrying rate. He suggests that the points in the pool should at the outset be on the basis of the estimated proportion of the river traffic at present carried by the fleets of the Euphrates and Tigris Steam Navigation Company and of the Nahrieh Company respectively, and that any increase of traffic should be apportioned on the basis of the carrying capacity of the two fleets.

Lord Inchcape further states that the statutes of the new company will provide effective means of securing that the British shares shall not pass into the hands of aliens. It is understood that similar arrangements will be made by the Euphrates and Tigris Steam Navigation Company.

Lord Inchcape declares that there is not the least intention that the new Company shall attempt to acquire a predominant interest in the Euphrates and Tigris Steam Navigation Company.

Lord Inchcape considers it absolutely essential that the new company (like the Nahrieh Company up to the present time) shall appoint its own local agents distinct from those of the Euphrates and Tigris Steam Navigation Company.

Lord Inchcape is willing that one-third of the British share of the capital of the new company (say, 25,000*l.*) should be offered for subscription by the Euphrates and Tigris Steam Navigation Company and Messrs. Lynch together.

Lord Inchcape does not propose to accept for himself any discount on the shares taken up by him as concessionnaire. This being so, he would much prefer that the company should not be loaded with any unproductive capital, but he is prepared to discuss with Mr. Lynch the question of the form and amount of any payment to be made to Messrs. Lynch or the Euphrates and Tigris Steam Navigation Company in accordance with paragraph (4) of the note handed to Mr. Lynch at the Foreign Office on the 19th May.

Enclosure 3 in No. 479.

Euphrates and Tigris Steam Navigation Company to Board of Trade.

3, Salter's Hall Court, Cannon Street, London,
Sir, *June 9, 1913.*

THE character and present state of the negotiations which have been conducted on behalf of this company with the Foreign Office and the Board of Trade in connection with the conditions which are in future to regulate the navigation of the Euphrates and Tigris were explained to my Board to-day at a full meeting. After careful consideration I have been instructed to convey to you the following reply to your letter of the 2nd instant, covering an *aide-mémoire* embodying the views of Lord Inchcape:—

The intimation contained in your letter under acknowledgment, to the effect that the suggestions submitted in the very tentative conversation between myself and Messrs. Stanley and Ashley at the Board of Trade have been placed before Lord Inchcape, has painfully surprised us. We were given to understand at the Foreign Office that the Board of Trade, assisted possibly by expert advice from outside, would be in a position to "hammer out" with us the heads of a working agreement to be concluded between the proposed new Ottoman company and this company. The procedure indicated was that this agreement would then be submitted to my Board and to our legal advisers. We were particularly requested to say nothing to Lord Inchcape at this stage; and we, for our part, requested (see our chairman's letters of the 21st and 27th ultimo) that before the agreement had been "hammered out" nothing should be said to a prospective concessionnaire. The reasons for this will be obvious after a perusal of our chairman's memorandum of the 21st ultimo communicated to the Foreign Office. It was clearly understood that this memorandum was tentative and non-committal. The Board of this company has only now been invited to consider the subject. The true nature of the proposals of His Majesty's Government has still been unexplored. Is it, for instance, proposed to set up two separate and expensive European administrations at the various internal ports to manage the pooled steamers? Would not this greatly hamper competition with a railway? To discuss such questions at this stage with a prospective concessionnaire, naturally anxious to push his own firm into the interior from the seaboard, would scarcely seem to be a profitable course. We also felt that, if we entered at such an early stage upon conversations with a prospective concessionnaire, we should be brought into relations of antagonism and conflict with him which it was highly desirable to avoid.

My Board note that the proposals placed before us by the Secretary of State, as interpreted by Lord Inchcape, amount to the offer of one-third of the foreign share capital to be subscribed for by this company, the two companies to be worked on a pooling arrangement. Lord Inchcape proposes further that a payment shall be made to this company, in some other form than that of fully paid up shares, in consideration of their "position as pioneers of the navigation." In return for these ambiguous advantages and safeguards my board are asked to enter into certain guarantees and to forego certain claims. On the other hand, by the provisions of a diplomatic convention the concessionnaire would inherit the results of our lengthy negotiations with the Turkish Government at the instance of His Majesty's Government; and the interests

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which he represents would not only be extended from the seaboard to the interior, but would be placed in a position of primacy in relation to the navigation of the internal waters. With great respect my Board is unable to regard these proposals so interpreted as serious business propositions.

We have thought with His Majesty's Government that for political reasons it might be best to forego the present favourable opportunity for reviving and carrying the amalgamation scheme and to keep this company in being. We did not, however, anticipate that we should be invited to take a merely subordinate part in the revival by British capital of the Ottoman company. We are the only parties who have established a claim to bring about this revival. Moreover, should we not be given a very effective say in the control and management of the new concern, to be endowed with unlimited powers of expansion, any safeguards in the shape of freight and pooling arrangements would be wholly inadequate to withstand the changing circumstances of a long period of time. If the actual control is to be vested in other hands we submit that it is only just that we shall be offered the largest possible share in the new concern compatible with the holding and keeping by the concessionnaire of such actual control. We submit further that only in this way would there be any prospect for the survival and continued prosperity of the British company.

I have the honour to enclose a memorandum containing the outlines of such an arrangement, framed in such a way as not to run counter to the proposals of His Majesty's Government, while at the same time protecting, as we hope would be the case, the interests of our own company. The task has been a difficult one, and we do not see our way to whittling down any further the requirements contained therein, which, we submit, are strictly reasonable.

Alternatively we would respectfully request His Majesty's Government either to revive the amalgamation scheme or to arrange in the convention under negotiation with Turkey that the British company shall be endowed with powers of expansion at least sufficient to enable it to deal in the future with its present proportion of the traffic.

I have, &c.
FRED. W. PARRY.

Enclosure 4 in No. 479.

Outline of Agreement between the Concessionnaire of the proposed New Ottoman Company on the one part, and the Representative of the Euphrates and Tigris Steam Navigation Company on the other part.

1. SUBJECT to the casting vote at board meetings, together with a slight preponderance in the share capital to be subscribed by foreign shareholders remaining in the hands of the concessionnaire, the concessionnaire to undertake—

(1.) That the balance of the foreign share capital shall be allotted to the Euphrates and Tigris Steam Navigation Company (Limited).

(2.) That the first foreign directors shall be appointed by mutual agreement between the concessionnaire and the holders of the block of shares allotted to the Euphrates and Tigris Steam Navigation Company (Limited).

(3.) That the holders of the aforementioned block of shares shall have the right of being represented upon the board of the Ottoman company by directors equal in number to the other foreign directors.

2. In addition to the legal domicile to be established at Constantinople, the new Ottoman company shall be directed from an office in London independent of the respective offices of the concessionnaire and of the Euphrates and Tigris Steam Navigation Company (Limited). The staff shall be selected by mutual consent between the concessionnaire and the Euphrates and Tigris Steam Navigation Company (Limited).

3. The concessionnaire and the representative of the Euphrates and Tigris Steam Navigation Company (Limited) to undertake, on behalf of their respective companies, that the new Ottoman company and the Euphrates and Tigris Steam Navigation Company (Limited) shall be locally managed by the same agents at Bagdad and all other internal stations. At Basra, which is the terminus of the ocean traffic, each company may appoint separate agents. The first agents at Basra of the new Ottoman company shall be Messrs. Gray, Mackenzie, and Co., and the first agents at Bagdad

and all other internal stations shall be Messrs. Lynch Brothers. These local agents shall be appointed for a period of years, after which they may be changed by a unanimous vote of the directors of the new Ottoman company.

The local agents shall establish separate offices for the new Ottoman company, at each of which a Turkish mudir shall be employed.

4. The concessionnaire to agree, on behalf of himself and of Messrs. Gray, Dawes, and Co., in London, together with their agencies and connected firms, that neither he nor they, nor any of their respective agents or servants, shall buy or acquire shares of the Euphrates and Tigris Steam Navigation Company (Limited).

The Euphrates and Tigris Steam Navigation Company (Limited) and the concessionnaire to agree that they will neither of them, directly or indirectly, acquire any further shares or interest in the new Ottoman company, beyond the shares originally to be allotted to them, except by mutual consent.

5. The concessionnaire to undertake that a working agreement between the Euphrates and Tigris Steam Navigation Company (Limited) and the Ottoman company shall be concluded as follows:—

It is assumed that the controllers of the two concerns are animated by the desire to arrive at a permanent understanding whereby undue competition on the rivers shall be prevented, and the interests of the Euphrates and Tigris Steam Navigation Company (Limited) and the Nahrieh Company alike shall be effectually protected, while at the same time affording means fully to provide for the expansion of trade. But inasmuch as the Euphrates and Tigris Steam Navigation Company's fleet is arbitrarily limited to three steamers and their barges, while there is to be no limit to the fleet of the new Ottoman company, it becomes in the first place necessary, in order to arrive at a working arrangement, that each company should be allotted its fair proportion of the actual traffic.

The statistics for the last five years, 1908–12 inclusive, establish the average quantity of the traffic carried by each company as follows:—

Euphrates and Tigris Steam Navigation Company, 52 per cent. (thirteen twenty-fifths of the whole).
Nahrieh Company, 48 per cent. (twelve twenty-fifths of the whole).

If we confine ourselves to the last two years, 1911–12, the proportions work out as follows:—

Euphrates and Tigris Steam Navigation Company, 56 per cent. (fourteen twenty-fifths of the whole).
Nahrieh Company, 44 per cent. (eleven twenty-fifths of the whole).

It would only be fair to apportion the traffic on the actual conditions of fourteen twenty-fifths to the Euphrates and Tigris Steam Navigation Company (Limited) and eleven twenty-fifths to the Nahrieh Company. But as the fleet of the Euphrates and Tigris Steam Navigation Company is restricted, the extent to which this company could avail themselves of the benefit of this proportion would, of course, be governed by the carrying capacity of this restricted fleet. The new Ottoman company would derive the benefit of any further increase in trade.

The machinery to carry out this arrangement would be the following:—

Each company would deal with its own shippers independently. But a clearing house would be established at Bagdad, to be administered by a board of two controllers, one appointed to each company.

The duties of the Board would consist of apportioning and adjusting the quantity of cargo and passengers between the two lines of steamers. Copies of the steamers freight manifests and passengers lists, showing total quantity of cargo and passengers carried and freight and passage money received, would be handed into the clearing house at the termination of each voyage of each steamer belonging to each company.

At the end of each month, or at any other convenient period, the total quantity of the traffic would be computed and the amount carried by each line of steamers ascertained. If one company should have carried more or less than its proper proportion, an adjustment would be made either by arranging for an increase or for a reduction in the quantity to be carried in the period or periods next following or by a freight credit.

The two companies would fix the rate of freights and passenger fares to be

charged at so much per mile and agree to make no change in the fixed rates except by mutual consent. No rebates or commissions other than those mutually agreed would be permitted.

The above arrangement would provide for the carriage of any quantity of cargo the trade demanded, as the Ottoman Company would be able to expand its freightage capacity by increasing its fleet, while the Euphrates and Tigris Steam Navigation Company (Limited), would be secured in obtaining its proportion of the trade, as limited by the capacity of its steamers. Moreover, it would have the effect of preventing the Ottoman Company from putting on steamers not required by the trade.

A question has been raised that difficulties may arise by one company running an efficient service of steamers and the other an inefficient service. The Euphrates and Tigris Steam Navigation Company (Limited), being assured of its proportion of the traffic, might run obsolete steamers, while the Ottoman Company might put on new and fast steamers. This point is hardly worth consideration in view of the fact that the Euphrates and Tigris Steam Navigation Company (Limited), would for its own protection endeavour to run steamers equally efficient to the steamers of the Ottoman Company in order to be in a position to carry its proportion as far as possible.

6. In the event of the retirement or death of the concessionnaire, his successor to be agreed upon between the holders of the block of shares which he represents and the holders of the Euphrates and Tigris Steam Navigation Company (Limited), block of shares. Should they fail to agree, his successor to be appointed by the British Foreign Office. Such successor to undertake to carry out the terms of the present agreement, including article 4.

Enclosure 5 in No. 479.

Board of Trade to Euphrates and Tigris Steam Navigation Company.

Board of Trade, June 14, 1912.

Sir,

I AM directed by the Board of Trade to inform you that your letter of the 9th June relative to certain proposed arrangements with respect to the navigation of the Euphrates and Tigris Rivers and the enclosure therein, have now been carefully considered by the Board, and they desire me to offer the following observations thereon:—

1. As you are aware, the efforts of the Board of Trade have been directed to giving effect to the undertaking of His Majesty's Government embodied in a memorandum handed to Mr. Lynch at the Foreign Office on the 19th May, viz., that under certain conditions mentioned therein they would use their good offices to secure that certain financial and working arrangements specified in the memorandum should be made by the new company for the protection of the interests of the Euphrates and Tigris Steam Navigation Company (Limited).

2. The Board understood that it was the desire of Mr. Lynch that a representative of your company should be placed in communication with the Board of Trade with a view of putting them in possession of the views of the company as to the best mode of giving effect to this memorandum before communicating with the concessionnaire. Accordingly, an interview took place at the Board between yourself and representatives of the department, a record of which was duly submitted to and revised by you, and was afterwards discussed between representatives of the Board of Trade and Lord Inchcape. The Board gather from your letter under reply that your company take exception to this step, which I need hardly say was taken in the interests of all concerned. The Board, however, are at a loss to understand what other course could have been adopted by them with any prospect of making progress towards a mutually satisfactory arrangement.

3. As a result the Board of Trade handed to your company a note embodying in outline Lord Inchcape's proposals for giving effect to the undertaking of His Majesty's Government. These suggestions included proposals as to the share of capital to be allotted to your company and the basis of a working agreement between the two companies, an offer to discuss with Mr. Lynch the question of any payment to be made under paragraph 4 of the Foreign Office memorandum, and a refusal to agree to an arrangement for joint local management.

On this the Board of Trade recommended Mr. Lynch, as representing your company, to enter into direct communication with Lord Inchcape, considering that matters had reached a stage at which a direct interchange of views presented the only prospect of making further advance towards an arrangement.

4. The Board, however, understand that you have not yet adopted the course suggested, and they also understand from your letter of the 11th June, that your company prefer that the enclosure to your letter should not at this stage be handed to Lord Inchcape.

In the circumstances, the Board can only observe that the scheme embodied in the enclosure to your letter adheres substantially to the proposal for joint local management already rejected by Lord Inchcape, and asks for half the British share of the directorate of the new company. The Board consider that in these two respects your proposals go beyond the scope of the Foreign Office memorandum of the 19th May, and they do not see their way to put any pressure on Lord Inchcape with regard to these points, though they will be interested to learn the result of any direct discussion between your company and the concessionnaire on these points.

5. Your scheme also makes a definite proposal as to participation in the capital of the new undertaking, and as to the basis of a working agreement for the apportionment of traffic and the machinery for giving effect to such agreement. It also contains certain other proposals, including proposed provisions for preventing either company from acquiring the control of the other. All these are matters which appear to the Board to be susceptible of a reasonable adjustment (not of course necessarily on the lines of the proposals submitted by you), by direct communication between the parties, and they still think that such direct communication ought to take place. I need hardly add that the good offices of the Board are always at the disposal of the parties should they desire to avail themselves of them.

6. The Board have not failed to note the statement in your letter implying that the demands contained in the enclosure represent the irreducible minimum requirements of your company. They hope, however, that this is not to be taken literally, as in that event they fear that no useful purpose would be served by continuing the discussion, and they could only report to the Secretary of State for Foreign Affairs that, owing to the nature and extent of the demands put forward by your company, they have not been successful in promoting an arrangement on the lines of the undertaking given by His Majesty's Government. It would then be for the Secretary of State to decide what further steps should be taken in the circumstances. The Board, however, trust that it may not be necessary to take this course.

I have, &c.
GEO. J. STANLEY.

Enclosure 6 in No. 479.

Euphrates and Tigris Steam Navigation Company to Board of Trade.

3, *Salter's Hall Court, Cannon Street, London,*
June 20, 1913.

Sir,

I HAVE the honour to acknowledge the receipt of your letter of the 14th instant, with respect to the arrangements under contemplation for the future of the navigation of the Euphrates and Tigris.

1. In reply I am to state that, when the memorandum of the Secretary of State was handed to our chairman on the 19th May, during the course of an interview accorded to him and myself at the Foreign Office, it was verbally explained to us that, subject to the control of the new Ottoman Company being vested in an outside concessionnaire, there was the strongest disposition on the part of our Foreign Office to meet our own requirements in the constitution of the new company. But, it was added, the Foreign Office did not feel itself competent to discuss the business side of the question with us. It had, therefore, placed that side in the hands of the Board of Trade, which, in its turn could be assisted by the best expert advice from outside. At this and at a subsequent interview, accorded to our chairman at the Foreign Office on the 21st May, we were informed that the question of who the concessionnaire shall be was under consideration; that certain names had been placed before the Secretary of State by the Board of Trade. We were urged to accept the memorandum of the Secretary of State as a basis for negotiation, and to lose no time in the endeavour to make it amenable to our

interests by "hammering out" a reasonable agreement with the Board of Trade, which was fully competent to deal with the question. It was under these circumstances that our chairman sent to Mr. Parker, at the Foreign Office, his confidential memorandum of the 21st May, under cover of a letter requesting that nothing should be said to a prospective concessionnaire until we had ascertained whether it would be possible to "hammer out" an arrangement, on the basis of the Secretary of State's proposals, which would effectually safeguard the interests of this company. Our chairman gave strong verbal expression to his personal doubts as to the feasability of such an arrangement on that basis. The proposal was that this company should be restricted in the future to the use of three steamers only and a reserve steamer, while arrangements were to be "hammered out" under which, for a period of sixty years, it was to be enabled to live and prosper alongside of a new Ottoman company under British control, which, subject to our three steamers, was to be invested with exclusive rights of navigation, and with the fullest powers of expansion. It was, therefore, agreed that our chairman's memorandum of the 21st May should be regarded as quite non-committal and tentative. In pursuance of this course of procedure, I myself called at the Board of Trade and put forward certain suggestions which might form a basis for subsequent discussions, to be held upon the return of Sir Hubert Llewellyn Smith. I had no idea that these suggestions would be communicated to a concessionnaire or, indeed, that any of the detailed information for which you asked on this and on previous occasions would go beyond ourselves. I respectfully submit that I was the more fully justified in this attitude in view of the understanding indicated in the eleventh paragraph of our chairman's memorandum of the 6th May, which, I understand, was submitted to you and accepted as correct, and also in view of the purely tentative nature of the discussions which I had been instructed to commence.

2. My Board has learnt subsequently that the concessionnaire, had already been chosen when the Secretary of State's memorandum of the 19th May was handed to us and that he had been kept in close touch with the negotiations. And, since the interview which I was accorded at the Board of Trade on the 26th May we have been informed by Sir Hubert Llewellyn Smith that the Board proposes to confine itself to the part of an intermediary between the concessionnaire and ourselves.

You will recognise that this creates for us a new situation, especially in view of the fact that you rule out certain of our proposals on the ground that "they have already been rejected by the concessionnaire." It appears to us that the concessionnaire has been placed in a position to dictate his own terms and we cannot, therefore, see that any useful purpose would be served by a meeting with him as matters now stand. You inform us further that our proposals, as regards representation on the board of the new company and participation in the local management, go beyond the scope of the Secretary of State's memorandum of the 19th May. With great respect we cannot see how they do. The casting vote and, therefore, the control would remain in the hands of the concessionnaire and there is nothing in the Secretary of State's memorandum to exclude us from participation in the local management. The concessionnaire would, of course, prefer that his own firm should be enabled to extend itself from the seaboard to the interior, supported by the emoluments of the local management. It would mean to his firm a very large increase in the windfall which has come their way. We can fully understand his rejecting our proposals under this head. But for us participation in the local management and strong representation on the board are not merely material aims. They are essential safeguards. Unless we can be given a strong voice in the direction and management of the new company, we are better out of it altogether.

3. Failing an arrangement on these lines, we would beg to refer to the request contained in the concluding paragraph of our despatch of the 9th instant. We are not afraid of competition; but we claim to be placed in a position to meet it on equal terms. This company was originally formed to navigate the Euphrates and Tigris on lines indicated in a despatch from the Foreign Office, wherein no mention was made of restrictions on the number of the steamers it might see fit to employ. The Turkish steamers, which it is now proposed to transfer to a new Ottoman company under British control and management, with exclusive rights of navigation for a period of sixty years, were not at that time in existence. If for political reasons His Majesty's Government now prefer to abandon the amalgamation scheme, which, at the instance of our Government, we worked so hard to secure a year or two ago, and to keep this company in being, this company should either be placed in a position to deal in the future in its own vessels with its present proportion of the traffic, under a working arrangement with the concessionnaire of the new company; or, failing such an arrangement, no limit whatever should be placed on the number of steamers it may employ. We respectfully

submit that this is a strictly reasonable request, though it may fall short of that share in the navigation of these waters which our past efforts may have entitled us to expect would be allotted to us on the present occasion.

I have, &c.
FRED. W. PARRY, *Secretary.*

Enclosure 7 in No. 479.

Draft of Despatch from Board of Trade to Euphrates and Tigris Steam Navigation Company.

Sir,

THE Board of Trade have given careful consideration to your letter of the 20th June, but the result does not modify the views of this Department as stated in their letter of the 14th instant.

With regard to the earlier portion of your letter, the Board do not desire to add to what was said in their previous letter, beyond observing that any misconception on your part as to the extent to which the Board intended at any particular stage to acquaint the concessionnaire nominated by His Majesty's Government with the views of various parties interested could not, in the Board's judgment, affect the present situation in any material respect.

In the recent negotiations between His Majesty's Government and the Imperial Ottoman Government, which form the foundation of the proposed new concession, provisions were included fully reserving to your company all the rights and privileges of navigation, which, so far as the Board understand, they have hitherto enjoyed or have had any reasonable expectation of enjoying.

In these circumstances, the Board are of opinion that it is misleading to suggest, as your letter appears to do, that these provisions entail any fresh restriction upon your company with regard to the number of steamers to be employed. On the contrary, in the opinion of the Board no inconsiderable benefit is conferred upon your company by the enumeration and confirmation of its existing privileges in a new diplomatic instrument, in view of the fact, of which you are doubtless aware, that there has hitherto been a divergence of view between the two Governments as to the tenure of these privileges.

In addition to the above provisions in the declaration, His Majesty's Government have undertaken to use their good offices to secure the conclusion of arrangements between your company and the proposed new company, including *inter alia* a working agreement to protect your company from unfair competition, besides provision for representation on the directorate and for participation on favourable terms in the capital of the new concern. It has already been intimated to you that, in the Board's opinion, the details of the working agreement and other matters to be arranged can only be properly settled after mutual discussion between your representatives and the concessionnaire. If, contrary to the expectation of the Board, the concessionnaire should show himself, in the course of such discussion, unwilling to conclude a reasonable arrangement, the Board would not hesitate either to put pressure upon him or even, if necessary, to consider some modified scheme. Unless, however, and until this contingency has arisen, the Board are of opinion that there is no occasion to consider either of the alternative courses suggested in your letter.

In this connection I am to point out that it is not the case, as stated by you, that the Board have ruled out any of the proposals of your directors, on the ground merely that they have already been rejected by the concessionnaire. On reference to the Board's letter you will see that the only proposals as to which they have stated that they could not put pressure on the concessionnaire are those which, in their opinion, are outside the scope of the memorandum of the 19th May.

If your directors should prefer to abstain from taking the necessary steps to secure the conclusion of the proposed arrangement, the Board, while regretting their decision, have no power to interfere with their discretion. Should they, however, on reconsideration decide otherwise, the Board trust that an intimation to that effect will be given at an early date before the arrangements with regard to the new company have reached a stage which might render the conclusion of an arrangement more difficult.

[29552] No. 480.

India Office to Foreign Office.—(Received June 28.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of enclosures in a letter from the Foreign Secretary to the Government of India, dated the 5th June, 1913, relative to revolt against Amir of Dthala.

India Office, June 27, 1913.

Enclosure in No. 480.

Government of Bombay to Government of India.

(Telegraphic.) *June* 4, 1913.

FOLLOWING telegram received from Political Resident, Aden, the 2nd June :—

"A large tract of Amiri country has revolted against Amir during his presence in Aden. I have given him ammunition on payment, and strongly recommend loan of 4,000 rupees, to be recovered by instalments against his stipend and transit duties. Matter very pressing as I suspect trans-frontier intrigue. His Shairi and Jehafi tribesmen are implicated, and these were the aggressors under Turkish instigation before our move to Dthala in 1901. It is not a matter of deposing one amir and electing another. If we do not grant this timely assistance the whole countryside will be up."

Following reply sent to Political Resident on the 3rd :—

"Your telegram of the 2nd instant is being considered. You must take no further action pending special orders of Government."

[29581] No. 481.

Anglo-Persian Oil Company to Foreign Office.—(Received June 28.)

Winchester House, Old Broad Street, London,
June 27, 1913.

Sir,

WITH reference to my letter of the 8th May, I beg to inform you that we have now received from our agents at Mohammerah their observations on the complaints made in the memorandum left at your Office by the Turkish Ambassador relative to the alleged pollution of the waters of the Shatt-el-Arab caused by our refinery on Abadan Island.

It appears that the complaints raised by the Turkish authorities were brought to the notice of our agents at Mohammerah in February last by His Britannic Majesty's consul at Basra, and investigation showed that the pollution complained of was no doubt due to an unfortunate accident which resulted in the sinking of one of our barges containing a large quantity of oil. This was explained to His Britannic Majesty's consul, who was assured that the circumstances were, of course, quite exceptional, and that no cause for complaint would occur in the future.

Apart from this accident very little oil can possibly have escaped into the river from the refinery, and there is no doubt that in the ordinary course the pollution of the river from this source must be infinitesimal, and I may mention in this connection that our staff, both European and Indian, regularly use the water pumped out of the river, and have made no complaints about either the taste or smell.

In view of the above circumstances, I feel sure that His Majesty's Government will agree that the appointment of a commission as proposed by the Turkish Government is quite unnecessary, and I hope that they will advise the Turkish Ambassador accordingly.

I have, &c.
C. GREENWAY,
Managing Director.

[29667] No. 482.

India Office to Foreign Office.—(Received June 28.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Resident in the Persian Gulf, dated the 27th June, 1913, regarding Nejd.

India Office, June 28, 1913.

Enclosure in No. 482.

Lieutenant-Colonel Sir P. Cox to Government of India.

(Telegraphic.) P. *Bushire, June* 27, 1913.

FOLLOWING is with reference to telegram dated the 10th instant from Secretary of State regarding message from Ibn Saud :—

The Amir's former envoy has been sent by him to Bahrein with letters in analogous terms to political agent. Letters are dated the 13th instant, and begin with reference to the long-continued friendship between the Amir's family and Great Britain, and to the agreement of fifty-five years ago entered into by his grandfather. This I presume is the agreement given on the 21st April, 1866, to Colonel Pelly. The letters proceed with remonstrance against the assistance which, it is alleged, the Turkish troops operating from Bahrein have received from British representative.

Amir continues with protestation of his anxiety for preservation of time-honoured friendship, pledging himself to protect British subjects and give them good treatment; he wishes us to give corresponding assurances.

Similarly, he requests that, if the situation is now altered, and Great Britain is not willing to preserve former friendship, which is his earnest desire, he may be definitely informed, so that he may look to his own interests. Letter ends with intimation that he is very anxiously awaiting our reply.

The Amir's emissary is waiting in Bahrein. Mail leaves Bushire 3rd proximo for Bahrein.

(Repeated to India Office.)

[29021] No. 483.

Sir Edward Grey to Sir G. Lowther.

(No. 290.)
(Telegraphic.) *Foreign Office, June* 28, 1913.

HIS Majesty's consul at Basra has reported to Government of India through Bushire that Turks are sending fifty-seven soldiers with one officer to El Katr.

He should ascertain whether this force is sent as relief or in addition to garrison already there, as in latter case its despatch would constitute disturbance of *status quo*.

He should continue to keep Bushire informed.

[29348] No. 484

Sir Edward Grey to Sir G. Buchanan.

(No. 483.)
(Telegraphic.) *Foreign Office, June* 28, 1913.

YOUR telegram No. 232 of 26th June : Armenian reforms.

Your language approved. You can explain to M. Sazonof that only six or seven officers will be selected and that their appointments will be provisional, and that they can be absorbed in general scheme of reforms when one has been elaborated and put into force.

[29422] No. 485.

Foreign Office to India Office.

Sir, *Foreign Office, June* 28, 1913.

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 26th instant suggesting a formula for the mutual rendition of Turkish and Koweiti criminals.

This formula was laid before Hakki Pasha on the 27th instant, and he observed that while he was prepared to consider it, as it appeared to him to serve as a basis for a formula acceptable to Turkey, he would not be able to agree to the words "His Majesty's Government will use their good offices to ensure that" as they would afford a pretext for British interference in Koweit and in Turkey.

Hakki Pasha agreed to submit a formula after consideration.

I am to add that it is evident that the Ottoman Government attach great importance to some arrangement for rendition of criminals, which they agree should be mutual.

I am, &c.
LOUIS MALLET.

[29677] No. 486.

Sir G. Lowther to Sir Edward Grey.—(Received June 29.)

(No. 303. Very Confidential.)
(Telegraphic.) *Constantinople, June* 29, 1913.

TURKISH Government have invited foreign commission of Financial Department to draft a law which will confer on its members very extensive powers of control of that department.

Action of Government has evidently been prompted by fear of imposition of foreign financial control.

Mr. Graves informs me confidentially that, if law is accepted as at present drafted, foreign commission will have entire control over all the departments of Ministry of Finance.

[29696] No. 487.

Sir G. Lowther to Sir Edward Grey.—(Received June 30.)

(No. 557.)
Sir, *Constantinople, June* 24, 1913.

IN reply to your despatch No. 193 of the 16th June, enquiring whether any useful purpose would be served by discussing with the Turkish Government the recent dismissals of certain competent officials in the vilayet of Adana, I have the honour to report that the Minister of the Interior, Talaat Bey, has just issued a circular in which he states that all functionaries must accommodate their views to that of the present Government, *i.e.*, of the Committee of Union and Progress, that any who have opposite views may resign, and that any who by word or deed criticise the acts, &c., of the present Government will be at once dismissed and sternly punished.

Under the circumstances, any discussion concerning the dismissal of officials might be interpreted as evidence of a want of sympathy with the present rulers.

It may be added that an Ottoman official who may appear "competent" to the ordinary British consular officer like Mr. V. C. Matthews may be grossly incompetent from the point of view of the committee. At the present moment, for example, all officials nearly or distantly related to or suspected of being sympathisers with the ex-Grand Vizier, Kiamil Pasha, are being drastically weeded out.

I have, &c.
GERARD LOWTHER.

[29697] No. 488.

Sir G. Lowther to Sir Edward Grey.—(Received June 30.)

(No. 558.)
Sir, *Constantinople, June* 25, 1913.

I AM in receipt of your telegram No. 283 of the 24th instant instructing me, in view of the expression of opinion contained in my telegram No. 295 of the 23rd instant, not to bring to the notice of the Ottoman Government the serious state of affairs arising out of the murder of the military commandant and mutassarif at Basra.

I had, however, on receipt of your telegram No. 279 of the 23rd mentioned the matter to the Sublime Porte, where I was informed that the necessary steps have been taken to maintain order and that, further, a decision had been reached to recall the vali and replace him by the military governor already on the spot.

I have, &c.
GERARD LOWTHER.

[29698] No. 489.

Sir G. Lowther to Sir Edward Grey.—(Received June 30.)

(No. 559.)
Sir, *Constantinople, June* 25, 1913.

I HAVE the honour to forward herewith a despatch from His Majesty's consul at Basra, reporting on situation there.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 489.

Consul Crow to Sir G. Lowther.

(No. 34.)
Sir, *Basra, May* 31, 1913.

WITH reference to my despatch No. 33 of 23rd May on the subject of Hassa I have the honour to report that Nedim Bey, ex-Mutessarif of Hassa, the cadi, and several Turkish officials with their families, accompanied by thirty gendarmes, arrived from Hofuf and Katif by the slow mail.

It is reported that Bin Saoud sequestered £ T. 8,500 of the Turkish revenue at Hofuf, and seized all arms and ammunition, mules, and horses, but gave the soldiers £ T. 400 for their expenses to Basra, and permitted them to take their rifles and ten rounds of ammunition each with them.

It is also stated that the Mal Nudiri of Katif, on his arrival at Ojeir, gave the soldiers £ T. 1,700 for their expenses out of revenue which he had collected and which did not fall into the hands of Bin Saoud.

I hear that a letter was recently received by the vali from Bin Saoud, who stated that his father had entrusted the government of Hassa to the Turks for the past forty-three years for the purpose of improving the town and the people and assuring commercial security. The Turks had done nothing and the condition of the country had gone from bad to worse. All complaints had been disregarded and he had, therefore, taken Hassa away from the Turks again. He maintained, nevertheless, that he was the loyal and faithful servant of the Sultan, but stated that if the Turkish Government attempted to retake Hassa he was prepared to oppose them.

The vali stated that in his opinion it would be difficult to take any action in the direction of Hassa during the hot weather.

Ajeymi-bin-Sadun, who still remains in the vicinity of Basra, has telegraphed to the Grand Vizier and sent copies of his message to the Ministers of War and the Interior. He attributes the present unrest to the baneful influence of Seyyid Talib Bey and his machinations, and says that as the vali did not take his (Ajeymi's) advice and suppress Talib Bey, the latter found occasion to incite Bin Saoud to revolt and capture Hassa. He further states that out of loyalty to the Ottoman Government he has collected his tribes and is keeping them under arms in order to assist the Turkish troops against the rebellious Arabs of Basra, and that he has ordered Bin Reshid to join him with his tribes "in order to break the backbone of the enemies of the State, who sell their

religion, their country, and their Government, and to deliver Hassa out of the hands of the rebels." He also lays great emphasis on what he describes as Seyyid Talib Bey's nefarious intrigues, and says the latter is concerting with the foreign consuls to bring about a state of things which will end in a revolution. He concludes by demanding the exile of Talib Bey from Basra.

Ajeymi-bin-Sadun has not followed up the verbal message which I received from him on the 27th instant or sent me any further communication, and it is probable that the overture was merely a *ballon d'essai*. I am inclined to believe that the sheikh's appearance in the neighbourhood of Basra has been prearranged by the Turkish authorities. They are not at all disconcerted by it and their efforts to remove him do not seem to me sincere. They may look upon him as a counteracting influence and hope to play him off against Arab political aspirations or divert the attention of the notables from schemes for decentralisation and autonomy by encouraging the very general belief that the Montific chief is about to raid the town. Seyyid Talib Bey and Ajeymi are evidently on bad terms and do not spare one another, and it seems to be the aim and object of the adherents of either party to keep their principals apart. From an Arab point of view Ajeymi may, perhaps, attribute to Talib Bey some share of the responsibility for his father's death, in so far that Sadun was Talib's guest when treacherously caught by the Turks in 1911. I have made many enquiries into the matter and am given to understand that Talib Bey was in no way cognisant of the circumstances which led to Sadun's capture, and the only stigma which can really attach to him is his failure to rescue the Montific chief from the clutches of the Turkish Government after the arrest had been effected—a task, I am informed, which was beyond his power, though he is said to have done his best to help him. In any case, the present message of Ajeymi makes it clear that the object of his coming is either to take Seyyid Talib's life or bring about his removal from Basra.

A composite battalion of 200 soldiers arrived yesterday from Bagdad, on board the "Mosul," but there is no news yet regarding the movements of the "John O'Scott" with the Turkish garrison from Hassa. The "Marmariss" is expected here very shortly.

Captain Cowley, to whom I yesterday entrusted Sir E. Grey's message to Sheikh Falih-el-Benaiya, as reported in my telegram No. 38 of the 28th instant, informed me that, in his opinion, both Falih and Ghadban are not likely to hold up the river traffic to any serious extent, though they may cause some annoyance to passing vessels by firing on them. He gave me to understand that Sheikh Ghadban was anxious to keep on good terms with the Government and had, in fact lately joined his uncle Shebib for that purpose. It will be remembered that Sheikh Falih-el-Benaiya, when he visited me in March, told me a very different story, and said he and his brother had killed their uncle Shebib.

I have, &c.
F. E. CROW.

[29857] No. 490.

Mr. Carnegie to Sir Edward Grey.—(*Received June* 30.)

(No. 348.)

Sir, *Paris, June* 28, 1913.

I HAVE the honour to transmit to you herewith, with reference to Sir Francis Bertie's despatch No. 283 of the 28th June, 1912, copy of a protest against attempts to violate their organic statute which I have received from the Comité libanais de Paris, with a request that I would communicate it to you, together with an expression of the thanks of the committee for the interest which His Majesty's Government have constantly taken in the Lebanon.

I have, &c.
LANCELOT D. CARNEGIE.

Enclosure in No. 490.

Protest by the Comité libanais de Paris.

LE Comité libanais de Paris, réuni le jeudi, 26 juin, sous la présidence de M. Chekri Ganem, assisté du président du comité de Caire, Iskender Bey Amoun, de

celui du comité de New-York, M. N. Mokarzel, ainsi que des délégués des différentes colonies libanaises d'Amérique et d'Afrique, a décidé de formuler les protestations suivantes :—

1. Contre les menées tendant à dissoudre le Conseil administratif du Liban en dépit des immunités à lui accordées par le statut organique et confirmées par le dernier protocole de décembre 1912.

2. Contre la création d'impôts nouveaux pour couvrir le déficit budgétaire du Liban, que la Turquie refuse de combler, en dépit de ses engagements et des conventions internationales. Les Comités libanais ne font en cela qu'appuyer les protestations officielles déjà formulées par le Conseil administratif du Liban.

Le président du comité de Paris est chargé de communiquer cette décision à qui de droit.

Pour le Comité libanais de Paris :

Le Secrétaire, KHAÏRALLAH.

Le Président, CHEKRI GANEM.

7, *Rue de Paradis, Paris.*

[29858] No. 491.

Mr. Carnegie to Sir Edward Grey.—(*Received June* 30.)

(No. 349.)

Sir, *Paris, June* 28, 1913.

I HAVE the honour to transmit to you herewith, extracted from the "Matin" of to-day's date, a quotation from a telegram addressed to the Porte by the notables of the Gebel-Amel, denying the claim of certain persons now in Paris to represent the Syrian people and to demand reforms on their behalf.

I have, &c.
LANCELOT D. CARNEGIE.

Enclosure in No. 491.

Extract from the "Matin" of June 28, 1913.

UNE PROTESTATION DE NOTABLES CHRÉTIENS EN SYRIE.

LES notables de Gebel-Amel vient d'adresser à la Porte une longue dépêche de protestation contre le congrès syrien qui vient de se tenir à Paris. Ce télégramme débute ainsi :—

"*Beyrouth, le* 26 *juin*, 1913.

"Nous soussignés, notables, ulémas et habitants chrétiens de Gebel-Amel, partie importante de l'Empire ottoman, apprenons que quelques individus se trouvant actuellement à Paris prétendent être envoyés de la part des Syriens pour exiger des réformes au pays. Par la présente, nous venons protester contre ces prétentions et exigeons que pareilles réformes soient élaborées par notre Parlement et par nos conseils provinciaux."

[29887] No. 492.

India Office to Foreign Office.—(*Received June* 30.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs and forwards herewith, for the information of the Secretary of State, copy of enclosures in a letter from the Foreign Secretary to the Government of India, dated the 22nd May, 1913, relative to Bahrein and Katr.

India Office, June 28, 1913.

Enclosure 1 in No. 492.

Lieutenant-Colonel Sir P. Cox to Government of India.

(Telegraphic.) P. *May* 17, 1913.

AS it bears on current negotiation[s] between the Porte and ourselves, the Government of India might be interested to learn that the Sheikh of Bahrein, in connection with the recent achievements of Bin Saud and in view of the probability that the Turks may also be expelled from Katr, is evidently contemplating the possibility of reviving his claim to levy tribute, and has requested the Political Agent to remind me of the treaty at the bottom of p. 148 of "Aitchison's Treaties."

Enclosure 2 in No. 492.

Extract from "Aitchison's Treaties," 4th Edition, Vol. XII, p. 148.

WE, the undersigned chiefs, all residing in the province of Katr, do hereby solemnly agree and bind ourselves to pay to Sheikh Ali-bin-Khalifa, Chief of Bahrein, the sums of money per annum heretofore paid by us to the chiefs of Bahrein, as follows, this total sum to be paid by us to Muhammad-bin-Thani, of Doha, and by him to the Resident for delivery to the agent of the Chief of Bahrein at Bushire :—

		Krans.
On account of	the Mahanda tribe	1,700
" "	the Al-bu-Ainen and Nayim tribes	1,500
" "	the Semsemieh tribe (*i.e.*, the Al-bu-Kuwara, who live at Sumesma)	500
" "	the Keleb tribe	500
" "	the Soudan tribe	1,500
" "	Muhammad-bin-Thani (Chief of the Maadhid and the Musallam tribe)	2,500
" "	the Amamera tribe	800
	Total	9,000

And we, the said chiefs, understanding that the Bahrein Chief claims from us a total of 15,000 krans per annum in lieu of the 9,000 as above set forth, we do hereby further agree to pay any extra sum not aggregating a total larger than 15,000, and which the Resident, after judicial investigation, may decree.

Written on the 25th Jamadi-ul-Awal, 1285 (13th September, 1868).

[29728] No. 493.

Sir G. Buchanan to Sir Edward Grey.—(Received June 30.)

(No. 238.)

(Telegraphic.) *St. Petersburgh, June* 29, 1913.

MINISTER came to see me to-day, and said that military authorities were raising strong objections to appointment of British officers in part of Turkey adjoining Russian frontier in which Russia was most interested. He hoped, therefore, that you would not insist on it. I communicated to him substance of your telegram No. 453 of 28th June, and tried to overcome his objections, but without success. His Excellency suggested that best way out of it would be for you to inform Ottoman Government that officers had been selected, and would be sent out when once general scheme of reforms had been elaborated.

I pointed out that years might elapse before this was done, and that disorders might break out in the meantime, while it was always possible that Turkey might veto employment of Russian officers.

His Excellency replied that Turkey could not object to appointment of Russian officers to work together with British, and perhaps French officers, and that appointment of half a dozen British officers in the meantime could not prevent outbreak of disorders. You might, he added, explain that it was impossible for His Majesty's Government to take separate action now that general scheme of reform was under consideration by the Powers.

[30014] No. 494.

India Office to Foreign Office.—(Received June 30.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Political Resident in the Persian Gulf, dated the 28th June, 1913, *re* Mohammerah frontier.

India Office, June 30, 1913.

Enclosure in No. 494.

Lieutenant-Colonel Sir P. Cox to Government of India.

(Telegraphic.) P. *Bushire, June* 28, 1913.

PLEASE refer to my telegram dated the 7th instant.

Bad weather has caused prolongation of Tangistan operations, and consequently delayed my departure. In the interval I have been studying the materials for the communication to be made to Sheikh of Mohammerah and notice following geographical inaccuracy in description of frontier in draft declaration as initialled. The sentence which ends "Aboul Arabid" should read : "The line proceeds southward from this point till it reaches the bank of the Khaiyin Canal, between Nahr Diaiji and Nahr Aboul Arabid, and from this point follows the line of the Khaiyin Canal to the point where latter joins the Nahr Nazaileh and the Shatt-el-Arab main stream." Am I at liberty to make above alteration when I inform sheikh of details in continuation of verbal exposition which I reported in the enclosure to my despatch of the 25th August? Further, how shall I reply to Sheikh of Mohammerah's representations (reported *ibidem*) regarding test of connection of island with the mainland, and as to vessels handling cargo at Abadan or elsewhere, on Persian bank, being immune from interference? The declaration as worded at present does not seem to make specific provision for either of these points.

(Repeated to Secretary of State.)

[30016] No. 495.

India Office to Foreign Office.—(Received June 30.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 28th June, 1913, *re* Abu Musa.

India Office, June 30, 1913.

Enclosure in No. 495.

Government of India to the Marquess of Crewe.

(Telegraphic.) P. *June* 28, 1913.

THE following two telegrams—(A) and (B)—have been received from the Resident in the Persian Gulf with reference to your telegram of the 3rd instant regarding Abu Musa :—

(A.)

"It will be necessary to communicate with the vice-consul at Lingah or to visit the locality in question to enable me to reply in detail on all the questions referred to me ; but, short of such action, my views on the memorandum of the 10th March are, firstly, that, so far as the question of the mine is involved, the contention that it cannot be worked at a profit for some time has nothing in it ; the difficulty of finding a market is the sole question. Secondly, there is no foundation for suggestion made in first

clause that several years' preparations have been entirely thrown away. If there is oxide there is no reason why concessionnaires should not guarantee to supply so many tons per annum to anyone who will buy. The counter-proposals made appear to be impossible to accept. Thirdly, as regards the statement of claims:—

"*First Clause.*—No destruction of deposits has occurred; one small shipment only has been taken away. However, it is no very great amount that is claimed.

"*Second Clause.*—I believe the suggestions as to results of exposure to be imaginary. All through the history of the concession the custom has been to dig in leisurely fashion in slack periods, and the stuff has habitually been allowed to lie for months—sometimes for years, before being shipped away. An expert authority on these matters tells me that effect of exposure to air, or dew, or spray is to form a hard crust on the surface, which effectually protects the interior of the heaps. It is quite unusual, I believe, to cover them with planks. I would suggest that this claim be disputed *in toto*.

"*Third Clause.*—The sum claimed for purpose here mentioned is preposterous amount. Nothing remains to be done save to clear away a little débris, the result of a slight landslip from under the digging. This claim might be put out of court by our offering ourselves to carry out the work.

"*Fourth Clause.*—No justification for payment of compensation exists in my opinion.

"*Fifth Clause.*—The claim made here has been much overstated; any estimate save an arbitrary one is difficult. But I think that it forms the most convenient head under which a lump sum in settlement of the case might be paid."

(B.)

"Grant of concession to a foreigner would in any case be inconsistent with the advice which we gave the sheikhs authoritatively, with resultant creation of bad impression; this must, in my opinion, be set aside entirely. The most satisfactory course, if possible, would be to buy out Wönckhaus entirely and let him compete in the open market.

"In connection with this point, it might be to Strick's considerable advantage to be participator in the Abu Musa concession for purpose of strengthening his position in respect of Hormuz, for (*a*) probably he would be able to use the Abu Musa stuff for mixing with the quality produced by Hormuz, thus selling more of it, and (*b*) if the Hormuz arrangement fails to go right, he would have the Abu Musa article in reserve. He might be prepared, in view of these considerations, to pay down a lump sum (which would go towards compensation of Wönckhaus) in order to be our nominee, together with Esa-bin-Abdul Latif and (if we cannot keep him out of it) Hassan Samiyeh. In any case, I would recommend that Strick should be sounded on these lines. If the Foreign Office wish to keep out of the matter, perhaps Captain Wilson could be instructed to sound Strick as bearer of informal message from myself. If it proves impossible to buy Wönckhaus out entirely, it might be arranged that new companies should give him advantageous rates for a certain period. This would be instead of compensation, and they could afford it, since they have not to pay a heavy royalty as is case with the Hormuz product."

The views of the Resident have our general concurrence. The buying out of Wönckhaus entirely is, in our opinion, far the best solution, and the one which would most probably avoid further trouble.

[30028] No. 496.

Sir G. Lowther to Sir Edward Grey.—(Received June 30.)

(No. 304.)
(Telegraphic.) R. *Constantinople, June 30, 1913.*

ARMENIA.

The first meeting of Ambassadors was held this morning, and it was decided to refer the proposals enclosed in my despatch No. 545 to a committee of secretaries and dragomans of the embassies.

The Russian Ambassador explained that the proposals were his own personal production, and must not be taken as a formal proposal of his Government.

The Turkish Government is preparing a scheme of reforms to be carried out under European supervision, and will shortly communicate it to the embassies officially with a request for support.

[29420] No. 497.

Sir Edward Grey to Sir G. Lowther.

(No. 291.)
(Telegraphic.) R. *Foreign Office, June 30, 1913.*

MY despatch No. 207 of 27th June.

Please obtain and telegraph legal opinion as suggested in last paragraph of enclosure.

[29483] No. 498.

Foreign Office to Board of Trade.

(Confidential.)
Sir, *Foreign Office, June 30, 1913.*

I AM directed by Secretary Sir E. Grey to acknowledge the receipt of your letter of the 26th June, enclosing a copy of recent correspondence with the Euphrates and Tigris Steam Navigation Company, together with the draft of a letter which the Board now propose to address to that company.

I am to state that Sir E. Grey concurs in the terms of this draft, subject to the modification arranged in the course of informal communication with your Department in regard to the ante-penultimate paragraph.

The amended portion of that paragraph will now run as follows:—

"If, contrary to the expectation of the Board, the concessionnaire should show himself, in the course of such discussion, unwilling to conclude a reasonable arrangement on the basis of the memorandum of the 19th May, the Board would not hesitate to put pressure upon him to do so. The Board, however, are of opinion that no occasion has arisen to consider either of the alternative courses suggested in your letter."

I am, &c.
LOUIS MALLET.

[29070] No. 499.

Sir L. Mallet to Sir H. Babington Smith.

SIR L. MALLET presents his compliments to Sir H. Babington Smith, and, with reference to the conversation which took place at the Foreign Office this afternoon, begs to state that the scheme which was tentatively indicated in regard to the Mesopotamian oil concession was as follows:—

The National Bank of Turkey, or their successors, and the Anglo-Persian Oil Company, should pledge themselves that in matters affecting British interests their representatives on the directorate should seek and follow the directions of His Majesty's Government.

His Majesty's Government consider that the arrangements for marketing to be made by the new company are matters affecting British interests.

If such an assurance were given, perhaps the following distribution of capital might be acceptable:—

Anglo-Persian Oil Company	35 per cent.
National Bank of Turkey	25 per cent.
Deutsche Bank	25 per cent.
Anglo-Saxon Company..	15 per cent.

Foreign Office, June 30, 1913.